



Table of Contents

1	Vision, mission and core values	10
1.1	Vision.....	10
1.2	Mission.....	10
1.3	Corporate culture and values.....	10
2	Demographic profile of the Municipality	12
2.1	Locality of the Municipality.....	12
2.2	Socio-economic conditions of the municipal area.....	14
2.2.1	Municipal population	14
2.2.2	Age and gender composition	14
2.2.3	HIV/AIDS Prevalence	16
2.2.4	Levels of education	16
2.2.5	household financial status	17
2.2.6	Crime	19
3	Powers and Functions of the Municipality	21
3.1	Constitution of the Republic of South Africa, Act 108 of 1996.....	21
3.2	White Paper on Local Government, March 1998	23
3.3	Local Government Municipal Systems Act (Act No. 32 of 2000)	25
3.4	Municipal Structures Act (Act No. 117 of 1998)	25
3.5	Municipal Finance Management Act (Act No. 56 of 2003).....	26
4	Process followed to develop the IDP	27
5	Status quo assessment	29
5.1	Service delivery and Infrastructure Development.....	29
5.1.1	Water	29
5.1.2	Sanitation	36
	MARYDALE.....	37
	NIEKERKSHOOP	37
	PRIESKA.....	38
5.1.3	Waste management.....	42
5.1.4	Electricity/Energy	48



Integrated Development Plan

2013/14

Siyathemba Municipality

5.1.5	Storm water	49
5.1.6	Social Services	50
5.1.7	Health Services.....	53
5.2	Public Participation and Good Governance	55
5.2.1	Governance structures.....	55
5.2.2	Management and operational systems	57
5.2.3	Challenges:	58
5.3	Institutional development and transformation	59
5.3.1	IT.....	59
5.3.2	Availability of skilled staff	59
5.3.3	Organisational Structure	60
5.3.4	Plans and strategies	62
5.3.5	Challenges	62
5.4	Financial viability.....	63
5.4.1	Financial viability statements.....	64
5.4.1.1.1	Operating Revenue Framework	64
5.4.2	Property Rates.....	68
5.4.3	Sale of Water and Impact of Tariff Increases.....	69
5.4.4	Sale of Electricity and Impact of Tariff Increases	70
5.4.5	Sanitation and Impact of Tariff Increases	72
5.4.6	Waste Removal and Impact of Tariff Increases	72
5.4.7	Overall impact of tariff increases on households	73
5.5	Operating Expenditure Framework	74
5.5.1	Priority given to repairs and maintenance	75
5.5.2	Free Basic Services: Basic Social Services Package.....	77
5.6	Capital expenditure.....	77
5.7	Annual Budget Tables - Parent Municipality.....	78
5.7.1	Policies	94
5.7.2	Financial sources	95
5.7.3	Staffing of the Finance and SCM units	95
5.7.4	Payment of creditors.....	95



Integrated Development Plan

2013/14

Siyathemba Municipality

5.7.5	Financial Management Systems	96
5.7.6	audit general findings	96
5.7.7	Challenges	96
5.8	Local Economic Development.....	97
5.8.1	Local Economic Development Strategy	97
5.8.2	Unemployment rate.....	97
5.8.3	economic profile	98
5.8.4	Potential sectors	102
5.8.5	Job creation AND ANCHOR DEVELOPMENT initiatives by the LM	108
5.8.6	Challenges	114
6	strategies.....	115
6.1	Service delivery and infrastructure development	115
6.2	Public participation and Good Governance	116
6.3	Institutional Development and Transformation	117
6.4	Financial viability.....	118
6.5	Local Economic Development.....	118

List of Tables

Table 1: Local Municipality Structure	13
Table 2: The Local and Regional Population Region	14
Table 3: Household Expenditure Items.....	18
Table 4: Process	28
Table 5: WSDP Status.....	30
Table 6: Water Level of Services: Formal.....	33
Table 7: Water Level of Services: Informal	33
Table 8: Compliance Summaries.....	34
Table 9: Wastewater Supply Technology.....	37
Table 10: Sanitation Related Projects	41
Table 11: Waste disposal	43
Table 12: Prieska Landfill Site	44
Table 13: Niekerkshoop Landfill Site.....	45
Table 14: Marydale landfill site.....	45
Table 15: Vehicles	46
Table 16: Responsible Institution.....	48
Table 17: Access to Electricity	48



Integrated Development Plan

2013/14

Siyathemba Municipality

Table 18: Housing Needs	50
Table 19: Other Services	54
Table 20: Availability and Status of Structures	56
Table 21: Staff component.....	61
Table 22: Contract Positions	61
Table 23: Policies.....	94
Table 24: 7-year MTEF schedule	Error! Bookmark not defined.
Table 25: Regional Employment Indicators	97
Table 26: Average Annual Employment Growth by Sector, 2000-2010	102

List of Figures

Figure 1: Locality map	12
Figure 2: Newly demarcated area	13
Figure 3: Age and Gender profile	15
Figure 4: Percentages of Estimated Levels of Education all Persons Aged 20 and Older	16
Figure 5: Estimated Employment Status.....	17
Figure 6: Annual Household Income	18
Figure 7: Prieska Housing Development Area	51
Figure 8: Marydale Housing Development Area.....	51
Figure 9: Niekerkshoop Housing Development Area.....	52
Figure 10: Organogram	60
Figure 11: District Contributions to the Province in Percentage - 2005	98
Figure 12: District Contributions in Rands and Cents - 2005	98
Figure 13: Local Contributions to the Economy of the District – 2005	99
Figure 14: Sectoral distribution of the Labour Force	100
Figure 15: Sectoral distribution of the Labour Force	101
Figure 16: Local and Regional Trends in Total Employment 2011	101
Figure 17: Agriculture Sector Growth	103
Figure 18: Mining Sector Growth.....	104
Figure 19: Manufacturing Sector Growth	105
Figure 20: Trade Sector Growth.....	106

List of Addendums

- Addendum A: Project list Year 1
- Addendum B: Maps: Prieska
- Addendum C: Maps: Marydale
- Addendum D: Maps: Niekerkshoop
- Addendum F: Budget Summary



Integrated Development Plan

2013/14

Siyathemba Municipality

Addendum G: Local Economic Development Strategy
Addendum H: Performance Management
Addendum I: SDBIP
Addendum J: Housing – Data collection and Project Readiness
Addendum K: Comprehensive Infrastructure Plan
Addendum L: Sectoral Plans
Addendum M: Policies
Addendum N: Municipal Turn Around Strategy
Addendum O: Spatial Development Framework
Addendum P: WSDP
Addendum Q: Integrated Environmental Management
Addendum R: Integrated Waste Management Plan



PREAMBLE

In accordance with the requirements as spelled out in the Local Government: Municipal Systems Act (2000), Siyathemba Municipality has embarked on a review of its integrated development plan (IDP), which was originally drafted in April 2002. This document is being reviewed on an annual basis and the following review dates can be reported 01 April 2004, 30 May 2005, 31 October 2005, 17 May 2007, 30 May 2008, 06 November 2008, 30 June 2010, 04 May 2011, 31 May 2012 and 28 March 2013 for the Draft and 29 May 2013 for the 2013/14 financial year. The purpose of the review was primarily to see if it is still relevant to the needs of the people of Siyathemba as well as to identify any new opportunities that might have availed themselves. The previous version of the Siyathemba IDP, and the IDP of the Pixley Ka Seme District Municipality were used as the main source documents. Needless to say, the reviewed IDP provides a framework that will guide the delivery of services at the Siyathemba Municipality in its efforts to remain a developmental municipality. This is also the second year in which the “Simplified Format” introduced by the Department of Cooperative Governance, Human Settlements and Traditional Affairs.

The preparation of the original IDP entailed extensive consultations with the communities of the municipal area, as well as other stakeholders such as provincial, regional and local government departments, the PIMS Centre of the Pixley Ka Seme District Municipality, the different business sectors as well as other relevant stakeholders. The IDP Representative Forum played a critical role throughout this process.

As a comprehensive planning tool, it is hoped that this document will live up to the purposes for which it was meant. As a five-year planning document, the IDP leaves us with considerable hope that the considerable developmental backlogs facing Siyathemba will be addressed over this period. This tool is not only an excellent learning exercise for the municipality and its staff; but also for the entire community and the other spheres of government.

The contributions made by the different sectors in the compilation of this document are highly appreciated and it is hoped that the Municipality’s partners will stay the course and remain our partners in the implementation of the IDP.



We take courage from the objectives and agenda of our Government, led by the African National Congress. It is an honour and privilege to be part of man and woman crafting the present and future of our society and prosperous South Africa in presenting this IDP and Budget.

We salute our senior leaders for setting a path for us to travel on and providing us a road map. The year 2013/14 will be a lucky year for those who plan to work at it! We learn from the successful public participation meetings that the population of Siyathemba Municipal area is not superstitious and request small things from Council;

Our communities during the public participation process with the IDP are in touch with what we are doing and have dreams. Their dreams and expectations are grounded in the attitude that not all of their demands are going to be met in this financial year, thus let us as Council, Management and all stakeholders join them in doing the best we can to take the process of continuous development forward.

To be sure that 2013/14 is probably going to be another tough year in which all of us will have to work as hard as possible to make ends meet. The signs are that the global recovery processes will remain sluggish and vulnerable and we expect further surprises for the near future. And, even if it starts picking up sharply, it may still be a while before the positive effect is felt by most on the ground. But an important part of venturing into the future is to look out for the positive. This does not only mean keeping your faith that the economy will eventually turn; it certainly will. It also means looking out for the positive aspects that are with us right now.

We should be mindful that:

- Despite all the talk of a decline in our mining sector, South Africa still possesses an estimated \$2,5 trillion worth of minerals, **add to it the bright sun of Siyathemba** – still one of the most richly endowed countries in the world. No amount of policy and labour problems will keep international and local investment away from such a bounty for long. Investments will come, and there will be spinoffs for owner-managed businesses all through the supply chain, in adjacent industries and throughout the economy.
- Despite the global financial crisis, South Africa has been receiving record numbers of tourists. Think about how amazing that is: the world has cut luxury spending on a massive scale, yet South Africa is welcoming more tourists than ever before. In the second quarter of 2012, tourists brought in no less than R83.5 billion into the economy, more than the levels recorded during the World Cup. The thought of what the numbers will look like when the world economy recovers is mouth-watering, not only for those in the tourism sector, but for the thousands of suppliers to the industry. The guest houses in Siyathemba confirmed increased numbers in guests using their



facilities and Council approved more than 3 rezoning applications for the purposes of guest houses.

- The rest of Africa, with its consistent growth of more than 5% over the last few years, is still opening up to South African businesses like never before. Every local service provider hired, or every supermarket that a South African retail chain opens north of the Limpopo, provides opportunities for supply chains back home. U Save is in Prieska!
- South Africa's much-anticipated infrastructure spend is still very much on the cards, despite increasing cynicism about the state's readiness to roll it out in one, massive counter-cyclical push. It will probably be patchy, somewhat haphazard, and much delayed, but it will come. Keep looking out for trickle-down opportunities.

We are going into 2013/14 with an unshakable experience that our service delivery model is working and can be extended to deal with inequalities and introduce new service levels with regard to sanitation in some parts of our municipal area.

Our Municipality stands to benefit for the use of our sanitation facilities by Armscore, Alkantpan and the Solar farms near Copperton. South Africa is a water scarce country, and our community must be informed about this and we need to have a discussion in the following 12 months on the way we deliver water to our community.

In the meantime do we thank the Rates Payer Association for indicating to us the necessity of using quality treated water on other areas which don't include households? Die beginsel rondom die heffing van beskikbaarheids fooie in gevalle waar ontwikkeling nog nie voltooi is nie, word jare deur die meeste Munisipaliteite toegepas en so ook deur die Siyathemba Munisipaliteit.

It should be noted that the new property valuations have been completed and a new tariff for property rates will be implemented on the 1st July 2013. Council will implement a safety net for all pensioners to apply for a rebate of up to 40% or no more than R4500.00. The community is therefore encouraged to apply for these rebates.

Our electricity capacity will have to increase to 3.5MVA to cater for our existing and future needs.

We as council have included and will be approving the following budget related policies and procedures to ensure we attain our budget goals. Apart from our own income means, we need to explore options that can generate more income towards the Municipality.

Further we enter this financial period with Solar Energy as a major new development – a venture for our businesses, concepts, products or services with high-growth potential. This new development is



Integrated Development Plan

2013/14

Siyathemba Municipality

a testimony to our belief in the potential of the South African community, The Northern Cape, Pixley ka Seme District and Siyathemba, despite the difficult times.

But you will know that it is through your very own efforts that you've created your own luck.

Aan al ons werkers kom ons gaan voort om 'n verenigde front te wees in die beskerming van ons demokrasie.

Thank you for Management and staff for your efforts to have this budget, and special word of thanks for assisting us in drafting our draft budget and bring it before Council (Opposition Councillors not present) and allocating a score of 81.1% during the assessment for compliance of our Draft Budget.

We welcome you and pledge our support in creating the society we all dream about; a society base on democracy, equality and no racialism. Free from poverty, joblessness, hunger, deceases and crime and instability.

We welcome the appointment of our NC Premier, Sylvia Lucas, and wish her well on this journey of a better life for all.

Ter afsluiting die soetste woorde vir 'n kind is "Ma", "huis" en "hemel" word dit gesê. Alle geluk aan ons vroue Raadslede vir julle rol as Ma's in die versorging van ons huise op reis na die hemel.

Council wished you all the best for the 2013/14 financial period, and beyond.

Piet Papier

MAYOR: SIYATHEMBA LOCAL MUNICIPALITY



1 VISION, MISSION AND CORE VALUES

Siyathemba Local Municipality has the ability to overcome its internal challenges and address the national matters like poverty, unemployment, HIV/AIDS, crime, teenage pregnancies and education. These challenges require commitment and discipline from all and an integrated government approach. Senior Management of the Siyathemba Municipality has no illusions about the challenges and is prepared to work tirelessly in meeting the high expectations of our people¹.

1.1 VISION

Siyathemba Municipality undertakes to improve the standard of living of its entire community by delivering visible and affordable services.

1.2 MISSION

To be a developmental Municipality, which has the interest of its communities at the center of all its activities.

This will be done through:

- ✂ an optimal distribution of resources
- ✂ economic development through job creation and poverty reduction strategies
- ✂ effective and efficient service delivery through optimal distribution and human resources development; and
- ✂ effective and efficient maintenance of equipment and buildings

1.3 CORPORATE CULTURE AND VALUES

It is of critical importance that every organisation, especially one that is required by legislation, be at the forefront of the development of its communities and should have appropriate and progressive culture and values.

Therefore, driven by the aspirations of the people, we pledge to respect and uphold the Constitution of the Republic of South Africa and, to this end, observe human rights and participate in co-operative governance to improve the life of all its residents. Additionally, the culture and values of the Municipality are as follows:

- ✂ We commit ourselves to the Code of Conduct for Councilors and Officials in the Municipal Systems Act 32 of 2000 and to the principles of sound financial management and provision of services;
- ✂ We subscribe to the principles of *Batho Pele*, communication with the community and the total quality of management;
- ✂ We believe in upholding integrity in the relations with all our stakeholders;

¹ Mayor P Papier in Annual Report 2010-11



Integrated Development Plan

2013/14

Siyathemba Municipality

- ✂ We commit ourselves to transparent and accountable local governance and the eradication of corruption;
- ✂ We endorse a “people-driven” approach and, to this end, commit ourselves to ensuring public participation in local governance;
- ✂ We will promote and encourage awareness of gender, youth and disability in the affairs of our Municipality;
- ✂ We regard the Members of our Council as our most important asset;
- ✂ We will respect the views as inputs of all members of the Council; and
- ✂ We are committed to ensuring the implementation of the Municipal Integrated Development Plan

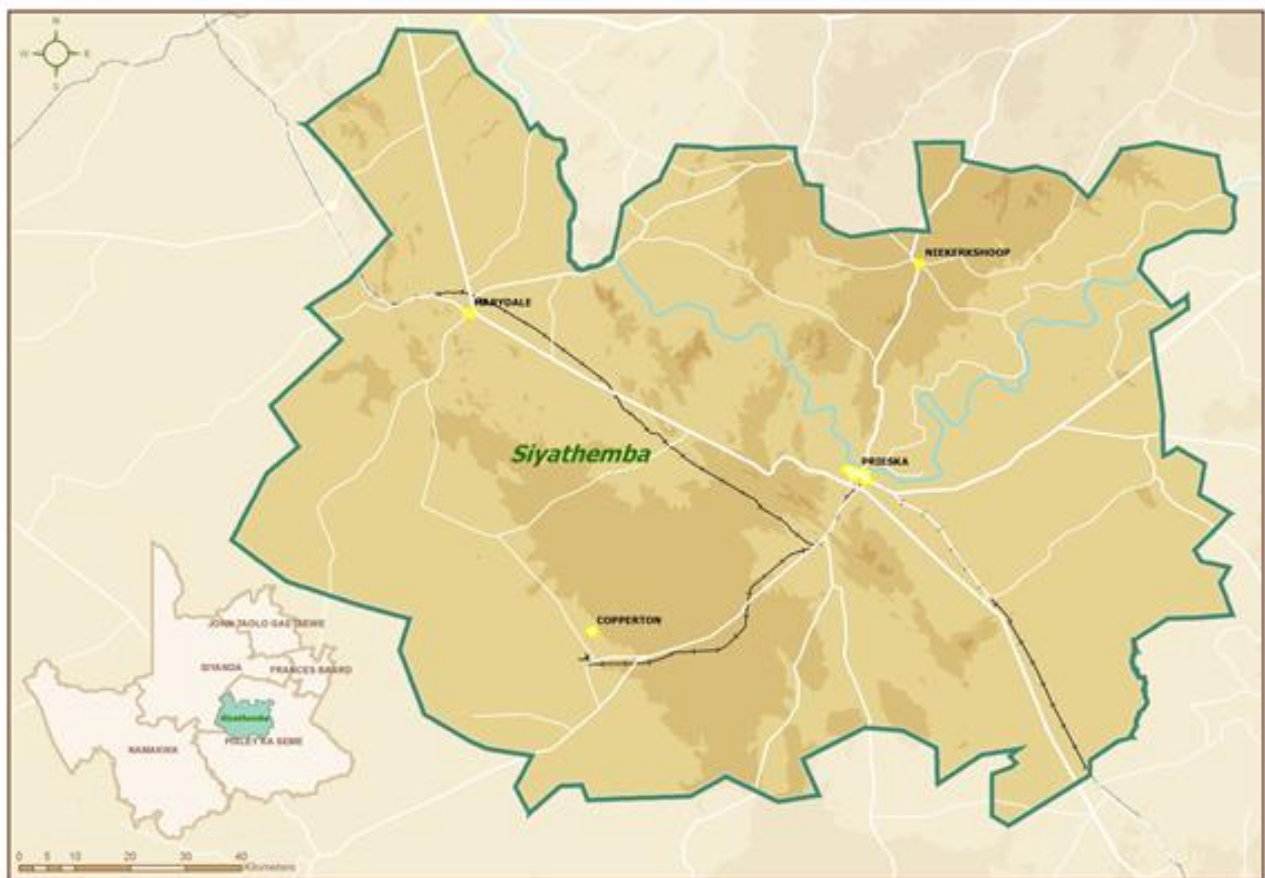


2 DEMOGRAPHIC PROFILE OF THE MUNICIPALITY

2.1 LOCALITY OF THE MUNICIPALITY

Siyathemba Municipality is a Category B Municipality (NC077), established in 2001, in accordance with the demarcation process. The Municipality is located within the central eastern parts of the Northern Cape Province on the banks of the Orange River, and falls within the boundaries of the Pixley ka Seme District. The nearest business centre is Kimberley, which is about 220km away.

Figure 1: Locality map





Integrated Development Plan

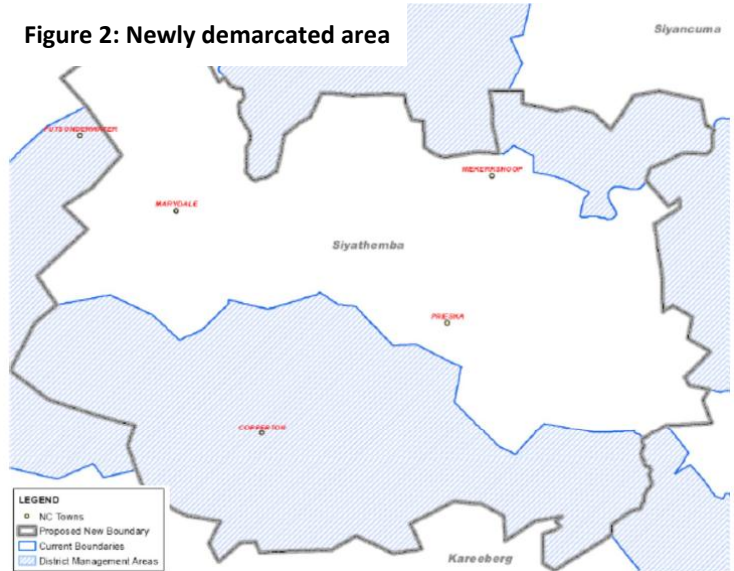
2013/14

Siyathemba Municipality

Siyathemba Municipality was initially made up of three entities, namely, Prieska, Marydale and Niekerkshoop. After demarcation the area was extended to include not only the towns and surrounding suburbs of Marydale, Niekerkshoop and Prieska but also Copperton.

Copperton is an old mining town that was sold to a private owner after the closing of the Mine. The town is currently on a long term lease by the Request Trust.

Figure 2: Newly demarcated area



Some of the houses were initially demolished and after the lease agreement was signed with the Request Trust, an agreement was reached that the rest of the houses could be retained. An agreement was reached between the Lessee and Alkantpan (Amscor) for the delivery of water, sanitation, and electricity services. Amscor also maintained one of the main roads.

The municipal area encompasses a geographic area of approximately 8,200km², which implies that Siyathemba Municipality accounts for 8% of the total district surface area and approximately 3% of the provincial area. The Municipality is divided into 4 Wards.

Table 1: Local Municipality Structure

Ward	Area ²
Ward 1	Ethembeni in Prieska
Ward 2	Prieska
Ward 3	Section in Prieska including Copperton, farms and Marydale town
Ward 4	Section in Prieska, farms and Niekerkshoop



2.2 SOCIO-ECONOMIC CONDITIONS OF THE MUNICIPAL AREA

2.2.1 MUNICIPAL POPULATION

The local and regional population is illustrated in the table below. From this Table, it is evident that the Siyathemba Municipality had a local population of just more than 21,000 people during 2010³.

Table 2: The Local and Regional Population Region

	2004	2006	2008	2010	2011
South Africa	46,745,940	47,827,370	48,911,245	49,991,472	
Northern Cape	1,088,672	1,089,227	1,093,823	1,103,918	
Pixley Ka Seme	190,396	185,334	180,082	179,507	
Siyathemba	21,441	21,312	21,239	21,333	

In regional context, this meant that the Siyathemba Municipality contributed 11.9% to the District population (i.e. the second largest Local Municipality in the District by population) and 1.9% to the population of the Northern Cape.

The most dominant population group is Coloured⁴. This group represents 80% of the total population in the municipal area. The other groups are black (12%) and white (8%).

Afrikaans⁵ is the most widely spoken language (78%). There are an insignificant number of people which speaks other languages. A total of 824 people indicated that IsiNdebele is their first language and 91 people speak Setswana.

2.2.2 AGE AND GENDER COMPOSITION

The Age & Gender Profile of the local population is illustrated by Figure 1⁶. With regards to this Profile, the following observations were made:

³ LED Strategy, March 2012

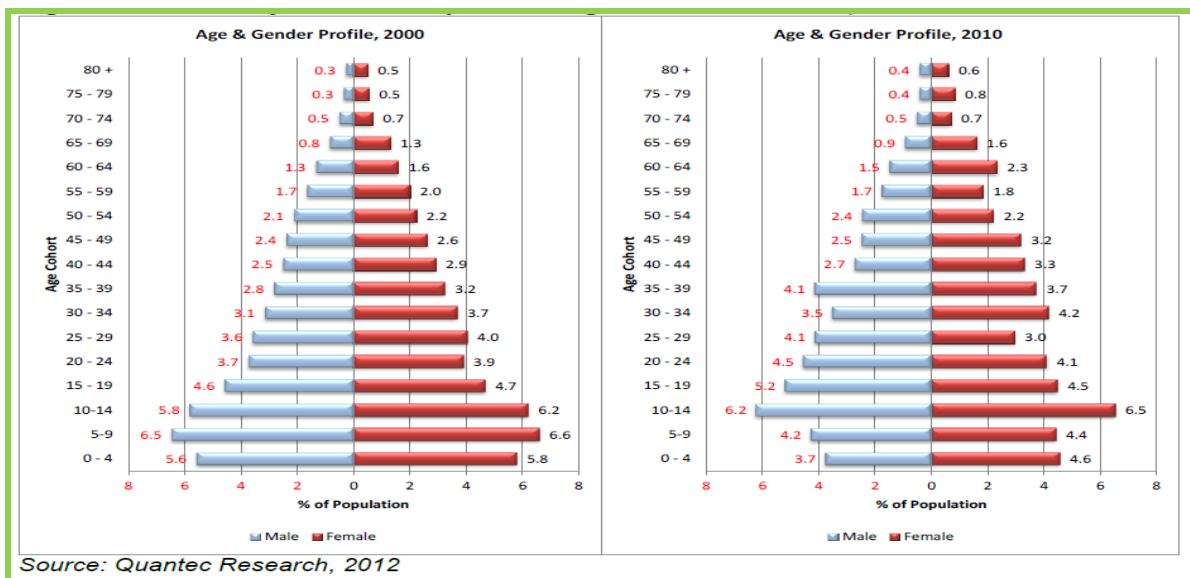
⁴ Community Survey 2007; www.statssa.gov.za

⁵ Community Survey 2007; www.statssa.gov.za

⁶ LED Strategy, March 2012



Figure 3: Age and Gender profile



- There were slightly more females (51.4%) than males (48.6%) among the local population during 2010. It was, however, noted that the population became slightly less female dominant since 2000, when 52.4% of the population were female.
- The working age group (15 to 64) contributed 64.4% to the local population in 2010. This age group has increased proportionately (from 58.6% to 64.4%) in relation to the other age groups. Since 2000, this group increased by approximately 1,210 people.
- The working age population is slightly male dominant. Since 2000, male working age population increased by around 928 men in absolute terms while the number of women increased by about 282.
- The age dependency ratio declined from 0.7 in 2000 to 0.6 dependents (children & the elderly) in 2010 for every working age adult.
- Since 2000, the proportion of children under the age of 15 declined by 6.7%. This means that the age profile of the local population is becoming older. The number of children in the area also declined from around 14,700 during 2000 to just above 12,000 in 2010.

The population of Siyathemba declined from just over 21,370 people in 2000 to about 21,330 in 2010 (see Figure 2.2). This implies that the population contracted by 0.4% on average per annum. This growth rate is slightly lower in the Pixley ka Seme District Municipality, which contracted 0.7% p.a. The decline of the Siyathemba population was mainly driven by lower fertility rates.



2.2.3 HIV/AIDS PREVALENCE⁷

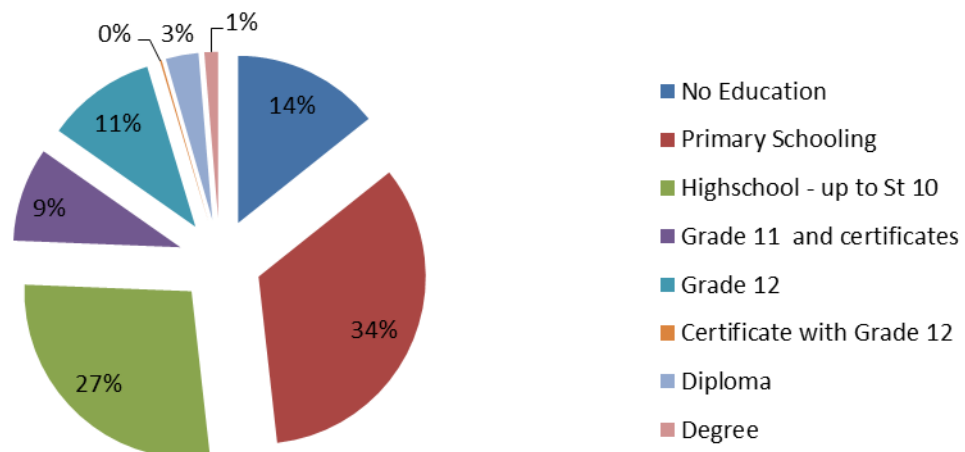
In the Draft LED Strategy for Siyathemba Municipality, reference is made to the HIV/AIDS prevalence in the area. It is indicated that data from the Actuarial Society of South Africa was used. During 2010, the HIV/AIDS prevalence rate of the Siyathemba population was 6.0% compared to the District rate of 6.5%. These rates compared well to the Northern Cape (7.6%) and South African (12.6%) averages in the same year.

2.2.4 LEVELS OF EDUCATION

Education and training satisfy the basic human need for knowledge and skills, thereby providing a means for meeting other basic needs. The level of education in a given population influences that population's welfare through effects on health, fertility and life expectancy. Education helps to increase the value of other forms of social and physical investment.

The educational profile for all persons aged 20 in Siyathemba is indicated below. A total of 14% of the population had no schooling, while 34% had primary school education. Just 4% of the population has a degree or diploma⁸.

Figure 4: Percentages of Estimated Levels of Education all Persons Aged 20 and Older⁹



The Adult Education Profile of Siyathemba did not improve over the past ten years. Since 2000, the number of adults with a Matric Certificate decreased from about 1,845 (or 15.3% of the adult population) to around 1,820 in 2010 (i.e. an average decrease of 0.1% per annum). It was also noted

⁷ LED Strategy, March 2012

⁸ Community Survey, 2007, www.statssa.gov.za; accessed 16 April 2011.

⁹ Community Survey 2007, www.statssa.gov.za; accessed 21 February 2011.



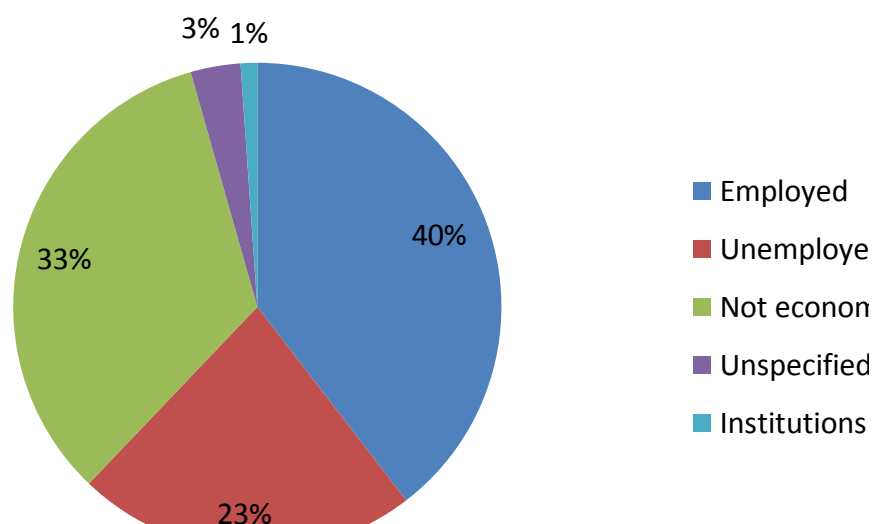
that the portion of adults with a tertiary qualification had increased from about 530 in 2000 to around 640 in 2010¹⁰.

2.2.5 HOUSEHOLD FINANCIAL STATUS

Household income is one of the most important determinants of welfare in a region. The ability to meet basic needs, such as food, clothing, shelter and basic amenities is largely determined by the level of income earned by households. Poverty is often defined as the lack of resources to meet these needs.

For all persons aged 15-65, the employment status within the Siyathemba Municipal Area is as follows: 40% is employed, 33% is not economically active, and 23% is unemployed.

Figure 5: Estimated Employment Status¹¹



Although the employment status appears positive (40% employed) from a financial perspective, the status of the municipal population is poor. 70% of all households earn less than R19,200 per annum (or less than R1,600 per month.) This implies that at least 70% of households within the municipal area would qualify as indigent. Currently, a household qualifies as an indigent if they receive less than the equivalent of 2 state pensions (R2160) per month.

¹⁰ Local Economic Development strategy, March 2012

¹¹ Community Survey 2007, www.statssa.gov.za; accessed 21 February 2011.

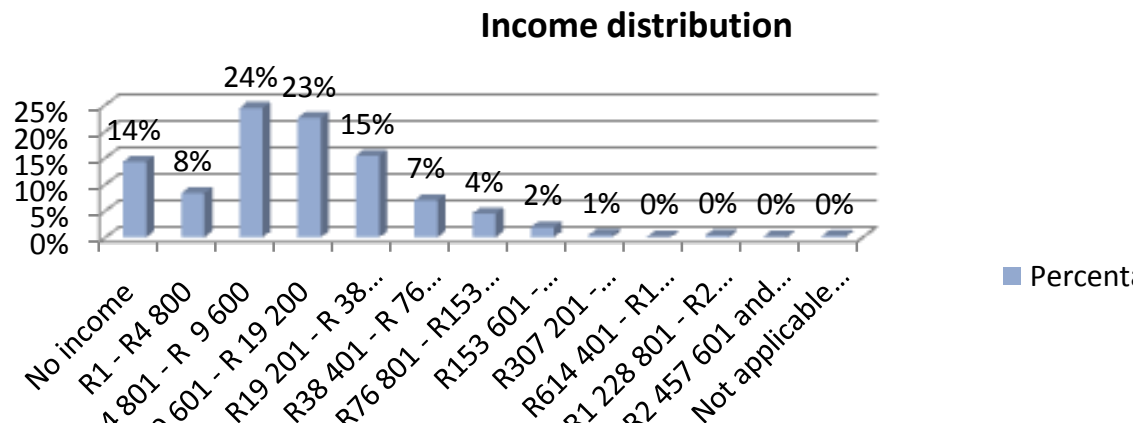


Integrated Development Plan

2013/14

Siyathemba Municipality

Figure 6: Annual Household Income¹²



The Table below illustrates the distribution in household consumption expenditure in the study area and the larger region¹³. From this Table, it is evident that households in all the areas under observation spend most of their disposable income on food, beverages and tobacco. This is especially true with regards to households in Siyathemba, which spend around 26% of their income on this product group. In comparison, local households spend slightly less (7.2%) on durable goods, such as furniture and personal transport equipment in line with the Northern Cape (7.2%).

Table 3: Household Expenditure Items¹⁴

Household Expenditure Item	Northern Cape	Pixley ka Seme DM	Siyathemba LM
Furniture, household appliances, etc.	1.30%	1.10%	1.10%
Personal transport equipment	3.80%	3.70%	3.70%
Recreational and entertainment goods	1.60%	1.70%	1.80%
Other durable goods	0.60%	0.60%	0.60%
Clothing and footwear	4.30%	4.00%	4.10%
Household textiles, furnishings, glassware, etc.	1.20%	1.00%	1.00%
Vehicle tyres, parts and accessories	1.20%	1.20%	1.20%
Recreational and entertainment goods	0.90%	0.90%	1.00%
Miscellaneous goods	0.60%	0.60%	0.60%
Food, beverages and tobacco	27.30%	26.50%	26.00%
Household fuel and power	3.00%	3.10%	3.00%
Household consumer goods	3.90%	3.80%	3.70%
Medical and pharmaceutical products	1.80%	1.90%	2.00%
Petroleum products	3.20%	3.00%	3.10%
Recreational and entertainment goods	0.70%	0.80%	0.80%

¹² Community Survey 2007, www.statssa.gov.za

¹³ LED Strategy, March 2012

¹⁴ LED Strategy, March 2012



Integrated Development Plan

2013/14

Siyathemba Municipality

Household Expenditure Item	Northern Cape	Pixley ka Seme DM	Siyathemba LM
Rent	14.70%	15.20%	14.60%
Household services, including domestic servants	2.70%	2.80%	2.80%
Medical services	6.00%	6.30%	6.50%
Transport and communication services	8.90%	9.10%	9.10%
Recreational, entertainment and educational services	3.90%	3.90%	4.00%
Miscellaneous services	8.50%	8.70%	9.30%
Total	100.00%	100.00%	100.00%

Other observations in this regard reveal that households in Siyathemba typically spend less on entertainment, medical services & pharmaceutical products and transport. Although this Expenditure Profile would also be skewed in relation to the income profile, it does reveal that local communities spend a larger part of their income on “necessary” items rather than “luxury” items.

During 2007, some 5,200 people in Siyathemba received social grants, which accounted for 11.9% of such grants in the District¹⁵. The most popular grant received by dependents in all four regions under observation was the Child Support Grant. In Siyathemba, around 2,600 people received this grant during 2007. In fact, the Child Support Grant made up 50.8% of all Social Grants received in Siyathemba, slightly lower than Pixley ka Seme, Northern Cape and South Africa during 2007.

The second most popular Social Grant received by dependents in all four regions was Disability, followed by Old Age Pensions Grants. In Siyathemba, some 1,200 people received a Disability Grant, while about 1,400 received an Old Age Pension Grant during 2007.

2.2.6 CRIME¹⁶

During 2010, nearly 839 crimes were reported at Police Stations within the Siyathemba Municipal Area. Since 2005, the total number of reported crimes has increased by 0.2% on average per annum. Table 2.6 presents the distribution of crimes reported at local Police Stations during 2010.

In Siyathemba, the most crimes were reported at the Prieska Police Station (595 reported incidents) during 2010, followed by Marydale (158 reported incidents). In this regard, the following observations were made:

- ✂ **Prieska** – The most common type of reported incidents here during 2010 was *assault with the intent to inflict grievous bodily harm*, followed by *theft*. The number of crimes reported at the local Police Station increased from 574 in 2009 to 595 in 2010. The fastest growing crime type currently is *assault with the intent to inflict grievous bodily harm*.

¹⁵ LED Strategy, March 2012

¹⁶ LED Strategy, March 2012



- ✂ **Niekerkshoop** – The most frequently reported incidents during 2010 were *stock theft*, followed by *assault with the intent to inflict grievous bodily harm*. The number of crimes reported at the local Police Station decreased from 119 in 2009 to 86 in 2010. The fastest growing crime type currently is *stock theft*.
- ✂ **Marydale** – During 2010, the crime most often reported were *assault with the intent to inflict grievous bodily harm*, followed by *common assault*. The number of crimes reported at the Local Police Station increased from 129 in 2009 to 158 2010. The fastest growing crime type currently is *drug related crime*.



3 POWERS AND FUNCTIONS OF THE MUNICIPALITY

Government has the responsibility to make Policies and Laws about the rights and responsibilities of citizens and the delivery of Government Services. Government collects revenue (income) from taxes and uses this money to provide services and infrastructure that improves the lives of all the people in the Country, particularly the poor.

3.1 CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, ACT 108 OF 1996

The Constitution of South Africa sets the rules for how Government works. There are three spheres of Government in South Africa namely National Government, Provincial Government and Local Government.

The spheres of Government are autonomous and should not be seen as hierarchical. The Constitution stipulates: “The spheres of government are distinctive, inter-related and inter-dependent.” At the same time they all operate according to the Constitution and Laws and Policies made by National Parliament.

Section 152 of the Constitution of the Republic of South Africa, 1996 sets out the objectives of Local Government as follows:

- ✂ to provide democratic and accountable government for Local Committees;
- ✂ to ensure the provision of services to communities in a sustainable manner;
- ✂ to promote social and economic development;
- ✂ to encourage the involvement of communities and community organizations in the matters of Local Government.

The responsibilities of Local Government are clearly spelled out within Schedules 4 and 5 of the Constitution.

The sphere of Local Government consists of Municipalities. A Municipality has the right to govern, on its own initiative, the Local Government Affairs of its community, subject to National and Provincial Legislation, as provided for in the Constitution.

The whole of South Africa is divided into Local Municipalities. Each Municipality has a Council where decisions are made and municipal officials and staff who implement the work of the Municipality.

The Council is made up of elected members who approve Policies and By-laws for their area. The Council has to pass a budget for its Municipality each year. They must also decide on Development Plans and service delivery for their Municipal Area.

There are three different kinds of Municipalities in South Africa:



- ✂ *Metropolitan Municipalities (Category A):* A Municipality that has exclusive Municipal Executive and Legislative Authority in its area. Metropolitan Municipalities exist in the six biggest cities in South Africa. They have more than 500 000 voters and the Metropolitan Municipality co-ordinates the delivery of services to the whole area.
- ✂ *Local Municipalities (Category B):* A Municipality that shares Municipal Executive and Legislative Authority in its area with a Category C Municipality within whose area it falls. Areas that fall outside of the six Metropolitan Municipal Areas are divided into Local Municipalities. There are a total of 231 of these Local Municipalities and each Municipality is broken up into Wards. The residents in each Ward are represented by a Ward Councilor.
- ✂ *District Municipalities (Category C):* A Municipality that has Municipal Executive and Legislative Authority in an area that includes more than one Municipality. District Municipalities are made up of a number of Local Municipalities that fall in one district. There are usually between 3 - 6 Local Municipalities that come together in a District Council and there are 47 District Municipalities within South Africa.

A System of further categorisation of Municipalities was introduced by the Municipality Infrastructure Investment Framework (MIIF) to more accurately understand the differentiated challenges facing the Municipalities. This categorisation focused on the size of Municipalities in terms of population, percentage of urban population, service backlogs, future demands and size of municipal budgets. This categorisation is as follows:

- A: Metros: Large urban complexes with populations over 1 million and accounting for more than 50% of all municipal expenditure in the Country
- B1: Local Municipalities with large budgets and containing secondary cities
- B2: Local Municipalities with large town as a core
- B3: Local Municipalities with small town, with relatively small population and significant proportion of urban population but with no large town as a core
- B4: Local municipalities which are mainly rural with communal tenure and with, at most, or of two small towns in their area
- C1: District Municipalities which are not Water Service Authorities
- C2: District Municipalities which are Water Service Authorities

Siyathemba Municipality is a Category B Municipality and according to the further categorisation in the MIIF, we are a Category B4 Municipality.

The Constitution stipulates a Municipality has Executive Authority in respect of, and has the right to administer the following activities:



Schedule 4	Schedule 5
▪ Air pollution ▪ Building Regulations ▪ Child care facilities ▪ Electricity and gas reticulation ▪ Fire fighting services ▪ Local tourism ▪ Municipal Airports ▪ Municipal planning ▪ Municipal health services ▪ Municipal public transport ▪ Municipal public works only in respect of the needs of Municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other Law ▪ Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto ▪ Storm water management systems in built-up areas ▪ Trading Regulations ▪ Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	▪ Beaches and amusement facilities ▪ Billboards and the display of advertisements in public places ▪ Cemeteries, funeral parlours and crematoria ▪ Cleansing ▪ Control of public nuisances ▪ Control of undertakings that sell liquor to the public ▪ Facilities for the accommodation, care and burial of animals ▪ Fencing and fences ▪ Licensing of dogs ▪ Licensing and control of undertakings that sell food to the public ▪ Local amenities ▪ Local sport facilities ▪ Markets ▪ Municipal abattoirs ▪ Municipal parks and recreation ▪ Municipal roads ▪ Noise pollution ▪ Pounds ▪ Public places ▪ Refuse removal, refuse dumps and solid waste disposal ▪ Street trading ▪ Street lighting ▪ Traffic and parking

3.2 WHITE PAPER ON LOCAL GOVERNMENT, MARCH 1998

The fact that Municipalities have the Constitutional duty to provide services does not mean that the delivery of services is easy and without problems. In order to facilitate the task of Municipalities, certain “Principles for Service Delivery” are contained in the White Paper on Local Government, 1998. These Principles that have been set to facilitate the delivery options of Municipalities, can be summarized as follows:

✎ Accessibility of services

At least a minimum level of services must be made available to all persons residing within the municipal area and imbalances in access to services must be addressed through Development Programmes.

✎ Affordability of services

Municipalities should ensure affordability of services through:



- ⌘ setting tariffs, which balance the economic viability of service provision with the ability of the poor to access services;
- ⌘ determining the appropriate service levels - neither too high nor too low;
- ⌘ cross subsidization within and between services.
- ✂ Quality of products and services
Quality of services relates to matters such as sustainability for purpose, timeliness, convenience, safety, continuity and responsiveness to service-users.
- ✂ Accountability for services
The Municipality remains accountable for ensuring the provision of quality services, notwithstanding the service delivery mechanism chosen.
- ✂ Integrated development and services
The planning and provision of service delivery should be integrated with Municipal Policy Objectives, such as poverty eradication, special integration and job creation through public works.
- ✂ Sustainability of services
The sustainability of services depends on financial and organizational systems, which support financial viability, as well as environmentally sound and social just use of resources.
- ✂ Value for money
The best possible use of public resources must be made to ensure access to affordable and sustainable services.
- ✂ Ensuring and promoting competitiveness of local commerce and industry
The subsidization of domestic users by levying higher rates and service charges on business, industry and commerce must not lead to adversely affecting industry and commerce as this may cause these businesses to move elsewhere.
- ✂ Promoting democracy
Municipalities must promote the democratic values and principles enshrined in the Constitution.

This Act further introduced the notion of developmental Local Government. Developmental Local Government is defined as Local Government that is committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives

Considering the Constitutional mandate, as well as the provisions of the White Paper, it can be summarised that the main function of Local Government is to provide goods and services that meets the social, economic and material needs of the people. Principles that underpin the manner, in which these goods and services are provided, should be democracy, accountability, sustainability and public participation.



3.3 LOCAL GOVERNMENT MUNICIPAL SYSTEMS ACT (ACT NO. 32 OF 2000)

In order to play the critical role, Municipalities are mandated to undertake a process of Integrated Development Planning. The main objective of Integrated Development Planning is to forge greater and better coordination and integration of development initiatives by the various Development Agencies with each local space.

The principle Legislation which relates to the development of IDPs, is the Municipal Systems Act. Section 25 of the Act Supra mandates each Municipal Council to adopt a single, inclusive and Strategic Plan for the development of the Municipality. As a Strategic Plan of the Municipality, the IDP should therefore provide a clear road map for the Municipality that would take it from current situation to its desired state in five years. To this effect, the IDP must:

- ✂ Link, integrate and coordinate Plans and take into account, Proposals for the development of the Municipality
- ✂ Align the resources and capacity of the Municipality with the implementation of the Plan
- ✂ Form the Policy Framework and general basis on which Annual Budgets must be based
- ✂ Be compatible with National and Provincial Development Plans and planning requirements that are binding on the Municipality in terms of Legislation.

The Act further focuses on the internal systems and administration of a Municipality including:

- ✂ Public accountability and involvement
- ✂ Guidelines for making Bylaws
- ✂ Preparation of Integrated Development Plans (IDPs)
- ✂ Establishing of Performance Management Systems
- ✂ Introducing the differentiation between the Authority (WSA) and Provider (WSP) functions of a Municipality and ensuring its consistency with the Water Services Act
- ✂ Identifying the importance of alternative mechanisms for providing municipal services, and prescribing the requirements for entering into partnerships with others. In this instance, this would apply to a WSA contracting a WSP to fulfill the provider function.

3.4 MUNICIPAL STRUCTURES ACT (ACT NO. 117 OF 1998)

The Municipal Structures Act provides for the establishment of Municipalities in accordance with the requirements relating to Categories and Types of Municipalities. It sets out the criteria for determining the category of each Municipality Type, as well as defining the type of Municipality that may be established within each category, and the manner in which each of the municipal structures is to function and conduct itself. The Municipal Structures Act was amended by the Municipal Structures Amendment Act, 2000 (Act No. 33 of 2000). The primary purpose of the Municipal Structures Act, and the Structures Amendment Act, is:



- ✂ To provide for the establishment of Municipalities in accordance with the requirements relating to categories and types of Municipalities;
- ✂ To establish criteria for determining the category of Municipality to be established in an area;
- ✂ To define the types of Municipalities that may be established within each category;
- ✂ To provide for an appropriate division of functions and powers between categories of Municipalities;
- ✂ To regulate the internal systems, structures and office-bearers of Municipalities; and
- ✂ To provide for appropriate electoral systems.

3.5 MUNICIPAL FINANCE MANAGEMENT ACT (ACT NO. 56 OF 2003)

This Act applies to all Municipalities and Municipal Entities. The object of the Act is to secure sound and sustainable management of the fiscal and financial affairs of Municipalities by establishing norms and standards for:

- ✂ Ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of Municipalities and Municipal Entities;
- ✂ The management of their revenues, expenditures, assets and liabilities and the handling of their financial resources;
- ✂ Budgetary and financial planning processes and the co-ordination of those processes with the processes of organs of state in other spheres of Government;
- ✂ Borrowing;
- ✂ The handling of financial problems in Municipalities;
- ✂ Supply chain management; and
- ✂ Other financial matters

A large part of the Municipal Finance Management Act deals with the requirements for a consistent and transparent Supply Chain Policy by Municipalities.



4 PROCESS FOLLOWED TO DEVELOP THE IDP

Integrated development planning is a process through which Municipalities prepare a Strategic Development Plan for a period of five years. The IDP is a product of the integrated development process. It is the principal strategic planning instrument, which guides and informs all planning, budgeting, management and decision-making in a Municipality. All Municipalities must, in terms of the Municipal Systems Act of 2000, undertake an integrated development planning process, thus the IDP is a legislative requirement and has a legal status and it supersedes all other Plans that guide development at Local Government level.

In the past, Municipalities followed a specific methodology to develop/compile the IDP. The phases in this process were:

1. Pre-planning Phase
2. Establishment of Structures
3. Compilation Phase
 - a. Analysis Phase
 - b. Strategies
 - c. Projects
 - d. Integration
4. Approval

The 2009 State of the Local Government Report noted that a number of Municipalities were under distress. These Municipalities primarily had difficulties delivering expected services to communities. The Report recommended that urgent and focused interventions had to be provided to enable Municipalities to deliver services effectively and efficiently. One of the critical processes which will assist Municipalities in service delivery, is the development of credible IDPs.

The Department of Co-operative Governance, Human Settlements and Traditional Affairs therefore embarked on a process to simplify the current IDP process. The development and implementation of this simplified Framework does not mean a compromise on the quality of the Plan or the provision of inferior services. Instead, it refers to the development of a Planning Framework that is simplified in a way that makes it easy for smaller Municipalities to develop implementable, demand responsive plans that address sustainable development.

Siyathemba Municipality was therefore invited by the Department of Co-operative Governance, Human Settlements and Traditional Affairs to form part of the “Simplified IDP Framework” – Process. The Municipality attended the work session on the 19th of March 2012 during which the process was explained.

Siyathemba Municipality aims to comply with this Process during 2012 and therefore to have an IDP for 2012 on the new format. The methodology we followed is indicated in the figure below.



Integrated Development Plan

2013/14

Siyathemba Municipality



Table 4: Process

Activity	Sub Activity	Target Dates
1 IDP 2011	IDP 2011 is used as the basis document for the 2012 IDP. The comments received from the various Sector Departments were used to improve the 2012 IDP.	June 2011
2 Project Wish List	The Municipality requested all the various Communities/Institutions in the area to submit projects which they want to see in the IDP.	November 2011
3 Compilation of Draft Document	The information available in the 2011 IDP Document was used to populate the new 'Simplified Format'. Information from 2011 is updated with the latest available data. Comments from the various divisions in the municipality were worked into the 2012 Document.	1st Draft submitted to Council on 28 March 2012. 2 nd Draft ready for Public Participation 13 April 2012. Final Draft ready for public comments (21 days) 30 April 2012.
4 Public Participation	2 nd Draft IDP is taken back to the communities. Community Meetings are held in the 3 towns. Final Draft IDP is available at the Municipality for 21 day for comments.	17-19 April 2012 30 April 2012
5 Finalisation of Document	All the comments received from the public participation process will be worked into the document. All the comments received from the Sector Departments will be worked into the final document	IDP submitted to Council for approval 29 May 2012. IDP Engagement session took place 28 May 2012.



5 STATUS QUO ASSESSMENT

In the paragraphs below, the current state of affairs within the Municipality with relation to the key performance indicators, are discussed. In each of the sections, status quo information is provided.

The following aspects should be taken note of:

- ✂ Information used in the IDP is sourced from various other Plans and Strategies previously developed by the Municipality. Reference will be made to the source used and will be indicated as a footnote for that specific section. For example, statistics with regards to water and sanitation delivery is based on the Geo-Database information from the Department of Water Affairs, Local Economic Development information is sourced from the Draft LED Strategy for the Municipality.
- ✂ The Municipality does have a generic Spatial Development Framework (SDF) developed by the District Municipality during 2006. The SDF for Siyathemba indicated potential areas where development is most likely to occur. It did however not stipulate the level of services. In all the sub categories of Point 6.1 Service Delivery and Infrastructure Development, the Municipality will state their vision with regards to the level of service. The generic SDF is attached.
- ✂ The Municipality does not have a Migration Plan in place. The population figures in Siyathemba Municipality is however relatively consistent over the past years.

5.1 SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic Objective	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance
Intended Outcome	Sustainable delivery of improved services to all households

5.1.1 WATER



All households to have access to at least clean piped water 200 from household.

Siyathemba Municipality is the Water Services Authority (WSA) and Water Services Provider (WSP) for the 3 towns within their area of jurisdiction. The Municipality strives to fulfil all the WSA and WSP functions, as stipulated in National Legislation.

As WSA, the Municipality needs to ensure access to services, develop a WSDP, compile Policies and Bylaws and put in place institutional arrangements for the delivery of services. As WSP, the Municipality needs to ensure that services are rendered in an effective, efficient and sustainable manner according to the Legislative and Planning Documents developed by the WSA. Operation and maintenance, asset management and customer care are therefore important.



In the paragraphs below, the most critical aspects with regards to water service delivery will be discussed.

Water services are rendered in Prieska, Niekerkshoop and Marydale. The Municipality is also supplying bulk water to Copperton, but Alkantpan (Amscor) is responsible for the delivery of water, sanitation, and electricity services. No services are currently being rendered on farms.

The Spatial Development Framework of the Municipality does not indicate an approved level of water services. The Municipality however strives to have a basic level of service on erven, before people move into that specific area. House connections are therefore the level of service the Municipality strives to provide. In informal areas, standpipes are provided as an interim level of service.

The Municipality understands, as Water Service Authority, that a proper planning document should be in place to coordinate all water services initiatives. Siyathemba Municipality therefore supports the initiative from the Department of Water Affairs to compile Water Services Development Plans (WSDP). DWA National made a new WSDP Guideline available in January 2010. Since then, the new WSDP Guideline has been revised several times to improve the content of the WSDP. Currently, the new WSDP Guideline consists of the following WSDP documentation:

Table 5: WSDP Status

WSDP components	Outcome
WSDP Module 1 (Knowledge)	Module 1 indicates all related enabling factors per water services topic listed in a tabular format to present an overall status quo of information on a WSA level. The objective of Module 1 is to identify gaps and shortcomings
WSDP Module 2 (Information)	This module will provide detail information regarding the different topics, as well as house all information regarding certain aspects with a topic. The objective of Module 2 is to obtain detail information to address gaps identified in Module 1 and to incorporate them into Module 2.
WSDP Module 3 (Strategies)	Module 3 relates to Strategic Plans. The objective of Module 3 is to develop Strategies identified as gaps in Module 1 and incorporate them into Module 3.
IDP Input Report	This Report will be an outflow from the existing WSDP Module 1 disseminating the required information in a standardized report to the IDP process for incorporation during development stages. The objective of this Report is to assist Local Government and WSAs with inputs regarding the IDP Development and IDP Evaluation Process.
Annual Business Plan	This report will be an outflow from the existing WSDP Module 1. According to the Act of 1997, Section 12, each WSA should annually compile a Business Plan which describes actions dealt with in terms of water and sanitation services. The objective of the task is to assist Local Government and WSAs with inputs regarding the compilation of a WS Business Plan.



Siyathemba Municipality completed WSDP Module 1, 2, 3, the IDP Input Report and Annual Business Plan.

5.1.1.1 Water Provision: Catchment to Consumer

Prieska is abstracting water from the Orange River whilst Marydale and Niekerkshoop are dependent on groundwater. Copperton receives its water from the Orange River via Prieska.

In the paragraphs below, a short description of the current water infrastructure is provided.

a. Prieska

The total volume of potable water for Prieska is supplied from the Flippie Holtzhauzen Water Treatment Plant that extracts all its raw water from the Orange River. Electrically driven pumps (4) which can deliver up to 200ℓ/s to a purification plant, are used. The purification plant has a capacity of 6 Mℓ/day and potable water is stored in two potable water reservoirs. Water is pumped by two pumps (that operate alternately) from the water treatment plant via a 150mm, a 200mm and a 300mm pipeline to three nearby distribution reservoirs, as can be seen on Figure 19. Two of the reservoirs have a volume of 2.27 Mℓ and the third, 0.34 Mℓ. These reservoirs are hereafter referred to as the Koppie Reservoirs. The 300mm pipeline is a dedicated line from the pumps at the water treatment plant to the reservoirs. The 200mm pipeline has a connection to a 300mm line that supplies the other reservoirs in the system from the Koppie Reservoirs. The 150mm pipeline connects the water treatment plant to the smaller 0.34 Mℓ capacity reservoir. This reservoir is located next to, but slightly lower than the two larger reservoirs. The 150mm pipeline has many direct connections with the distribution system and is not a dedicated supply to the reservoir. There is a bulk water meter at the water treatment plant that measures all the fresh water pumped from the water treatment plant. The water treatment works is in a good condition and not used at its full capacity.

b. Marydale

In Marydale, water supply is obtained from 6 production boreholes. The rated capacity of the boreholes is 8.9 ℓ/s. The safe yield of the 6 boreholes per year is 276,820.80m³. Submersible pumps withdraw the water from 6 production boreholes and pump the water to two high lying water distribution reservoirs. The reservoirs store water for use during periods of peak demand and provide the pressure needed to reticulate water to the town. There is no water treatment works facility in Marydale. Water is disinfected in the two reservoirs by adding floating chlorinators.

c. Niekerkshoop

Water delivery to the community for human consumption at Niekerkshoop consists of ground water from five boreholes namely GWK1, GWK2, Municipal Offices, G42098 and GWK 3. The water is abstracted with supply lines to the existing two reservoirs with a combined capacity of 0.4 Mℓ. From these reservoirs water is distributed to the water reticulation system to the consumers of Niekerkshoop. There is no water treatment works



facility in Niekerkshoop. Water is disinfected in the two reservoirs by adding floating chlorinators.

d. Copperton

A 450 mm diameter concrete lined steel pipeline, together with a dedicated water treatment works, was constructed by the Copperton Mine in 1970's for supplying water from Prieska to the Mine. The total pipeline length from the water treatment works at Prieska to Copperton is approximately 52 km. After the Mine was closed down in about 1988, the ownership of the pipeline was transferred to Alkantpan, who is using the pipeline to supply water to their testing facilities close to Copperton. Alkantpan is the Owner of the pipeline and also operates and maintains the pipeline.

The water demand on the pipeline in 2008 was estimated at 0.45ML/day, and includes the provision to Althantpan, Copperton and some of the farms on the pipeline route. Water meters are connected at each demand point and the water is measured on a monthly basis.

The total length of the pipeline is approximately 52 km and the first approximately 40 km of the pipeline is a pumping main, from Prieska Water Treatment Works to a set of reservoirs from where it gravitates for approximately 12 km to the Mine in Copperton.

Since the transfer of the pipeline in 1990, there were no pipe bursts or leaks detected on the pipeline. Altkantpan has two staff members responsible for the operations and maintenance of the pipeline.

According to the Kareeberg Bulk Water Supply Implementation Readiness Report, no evidence was found that could indicate that the pipeline is in a poor condition. However, limited maintenance has been done on the pipeline since it was transferred to Altkantpan. The lack of maintenance on air valves, especially a pumping main where pumps are switched on and off regularly, could increase the possibility of cavitation due to insufficient air release points, which may result in damage to the internal lining.

There is a group of steel reservoirs at the end of the pumping main, approximately 40 km from the Prieska WTW. The total capacity is 10,9ML. The reservoir near Copperton has a capacity of 2 ML. The set of reservoirs at the end of the pumping main consist of five reservoirs, two of which are 4 ML each and three of which are 0.5 ML each. According to the Kareeberg Bulk Water Supply Report, little maintenance was done on all the reservoirs and the operational valves. No leaks were detected on the group of five reservoirs that are situated at the end of the pumping main, which are currently in use. No corrosion was spotted.

A recommendation was made in the above mentioned Report that a CCTV camera investigation should be conducted to determine the condition of the pipeline.



Integrated Development Plan

2013/14

Siyathemba Municipality

5.1.1.2 Level of Service

The Municipality progressed very well in reaching the National Target to eradicate water needs in their area of jurisdiction. The DWA Geo-database reflects that most of the backlogs have been addressed.

Table 6: Water Level of Services: Formal

Settlement	Households 2011	House connection	Erf Connection	Communal Standpipe	Communal Standpipe> 200m	None	TOTAL WATER FORMAL STANDS
Marydale	785	202	449	0	0	0	651
Niekerkshoop	493	156	294	0	0	40	450
Prieska	3,089	2,650	10	365	0	0	3,025
TOTAL	4,367	3,008	753	365	0	40	4,126

Table 7: Water Level of Services: Informal

Settlement	Households 2011	House connection	Erf Connection	Communal Standpipe	Communal Standpipe>200m	None	TOTAL WATER INFORMAL HH
Marydale	785	0	0	129	0	0	129
Niekerkshoop	493	0	0	0	0	0	0
Prieska	3,089	0	0	0	0	0	0
TOTAL	4,367	0	0	129	0	0	129

The Municipality confirmed that bulk water infrastructure is already available for the 40 households in Niekerkshoop. House connections will be made by technical staff of the Municipality.

5.1.1.3 Water quality

The Municipality participated in the Blue Drop Certification Programme from the Department of Water Affairs.

The Municipalities scored an overall average of 40.95% during the 2011 Assessment. The following scores were obtained in each of the water supply systems:

- ✂ Prieska: 37.52%
- ✂ Marydale: 50.85%
- ✂ Niekerkshoop: 56.56%

The Blue Drop Certification Programme is measuring the entire Water Quality Management of a Municipality. The Municipality still needs to improve on specific criteria such as Criteria 1 (Water Safety Planning), Criteria 2 (Process Control and O&M) and Criteria 8 (Asset Management).



The water quality provided to the people of Siyathemba over the past 12 months (February 2011-February 2012) can be summarised as follows:

Table 8: Compliance Summaries

Supply System	Microbiological	Chemical	Physical	Operational
Marydale Borehole system	83.80%	86.50%	>99.9%	67.60%
Niekerkshoop Borehole System	88.50%	>99.9%	99.60%	77.60%
Prieska Orange River	98.50%	>99.9%	>99.9%	94.30%
TOTAL	91.60%	97.30%	99.90%	82.20%

The SANS241 requires 97% and 85% compliance for respectively Micro and Chemical. The Municipality must therefore improve on the microbiological compliance. These problems are mainly experienced in the borehole systems of Marydale and Niekerkshoop.

The Municipality has requested funds from DWA to assist in closing the gaps in drinking water quality management. An allocation was made to the Municipality and the Municipality started to develop the Water Safety Plan for the 3 Water Supply Systems. As part of the Water Safety Plan a management approved implementation plan is developed. The Municipality identified the execution of this plan as a priority.

5.1.1.4 Operation and Maintenance

The Municipality does not have an Operation and Maintenance Master plan available for any of their water infrastructure. This activity is listed as a possible project for future years.

The Municipality is however doing regular maintenance on their entire infrastructure.

5.1.1.5 Associated Facilities

There are 9 Schools and 6 Health Facilities in the Municipal Area. All facilities are serviced with water and sanitation services. The Municipality has enough resources in place to properly bill for the services it is providing.

5.1.1.6 Free Basic Services

Siyathemba Municipality is providing 6kℓ of free basic water to all the indigent households. An Indigent Policy is available which provides the detail with regards to who qualify as an indigent. The Register is updated on an annual basis.

During the 2010/11 financial year, 49% of the households were registered as indigents.

5.1.1.7 Related Projects

- ✂ The bulk water supply to Prieska is sustainable. It is envisaged that bulk water supply to Marydale and Niekerkshoop could become a problem within the next 15 - 18 years. Bulk Water Supply Studies are therefore conducted for Niekerkshoop.



- ✂ The Municipality is in the process to upgrade the Water Supply Network from the Boreholes to the 2 Reservoirs in Marydale. One of the Reservoir's capacities will also be increased.

5.1.1.8 Challenges

The following key challenges can be identified.

1. Studies indicated that the bulk water supply to Niekerkshoop and Marydale may become a problem in the next few years.
2. Although the municipality progressed very well with regards to the eradication of water needs in their area of jurisdiction, there is still some areas where services needed to be upgraded to a minimum RDP level.
3. No as-build drawings for the internal water reticulation network in Marydale is available.
4. The municipality are doing maintenance of infrastructure on an adhoc basis.
5. Currently the Municipality are not providing any services on farm areas.
6. The Blue drop score for the municipality is still very low.



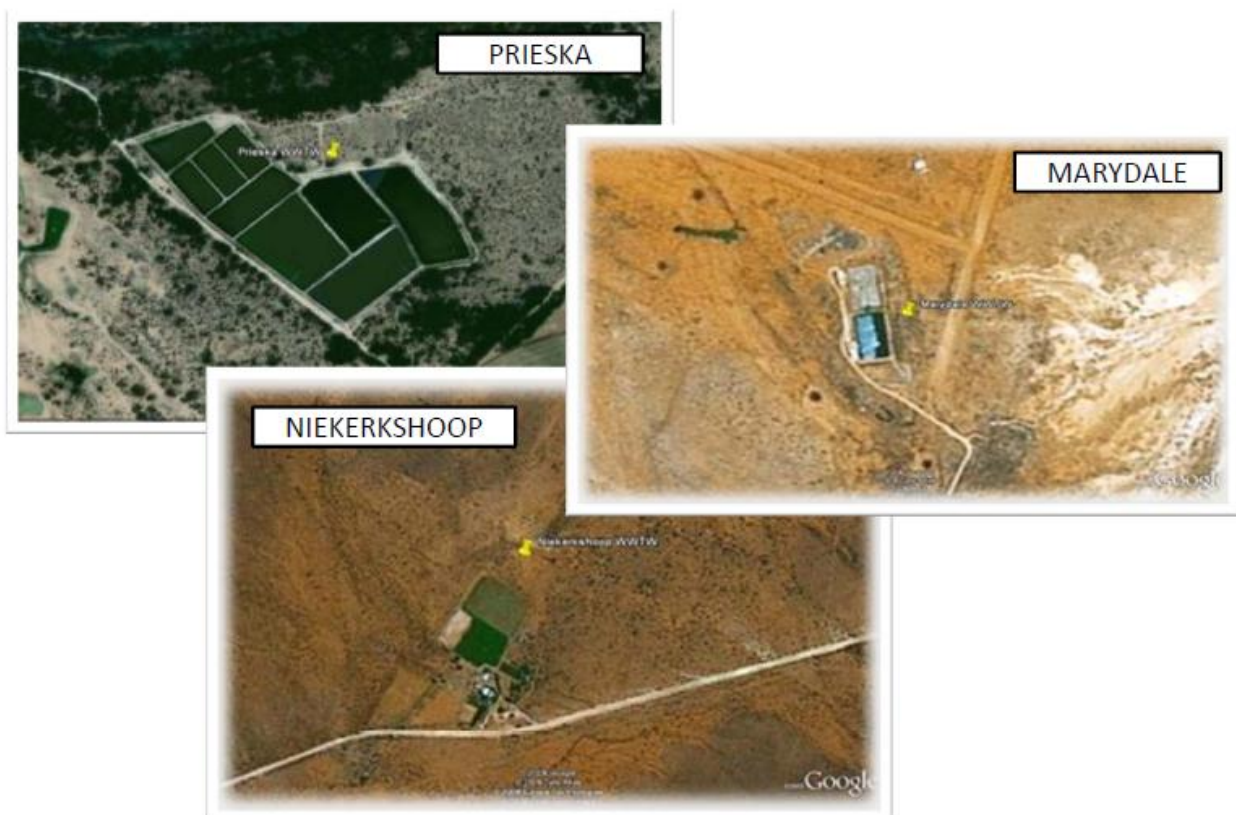
5.1.2 SANITATION



All households to have access to at least ventilated pit latrine on site.

Sanitation services are rendered in Prieska, Niekerkshoop and Marydale. No services are rendered to Copperton, since Alkantpan (Amscor) is responsible for the delivery of water, sanitation, and electricity services. No services are currently being rendered on farms.

5.1.2.1 Wastewater and Collection Infrastructure



The Sanitation Systems in the 3 towns can be summarised as follows:



Table 9: Wastewater Supply Technology

	Prieska ¹⁷	Niekerkshoop ¹⁸	Marydale ¹⁹
Wastewater treatment works	Anaerobic digesters / Oxidation ponds	Oxidation ponds	Oxidation ponds
Design capacity	3Mℓ	3Mℓ	6.5Mℓ
Operate within design capacity	Yes	Yes	Yes
Collection services	1 pump station and approx. 57.3 km pipework	No pump stations and approx. pipework	No pump stations and approx. km pipework.

MARYDALE²⁰

The Sanitation System in the Marydale community consists of VIP toilets and some flush toilets with a conservancy tank. The septic tanks are serviced by the Local Municipality staff on a daily basis. The WWTW/Oxidation Pond System in Marydale is utilised for the sewer effluent from the conservancy tanks transported by tankers to the Works. The WWTW is in a process of being upgraded and the Council has submitted Business Plans to the relevant MIG Offices for possible funding of the project. No return flows from the oxidation ponds are available. The tanker loads dumped per day are captured in the Registers to determine the inflow volume.

NIEKERKSHOOP²¹

The Sanitation System in the Niekerkshoop community consists of VIP and UDS toilets and some flush toilets with a conservancy tank. The septic tanks are serviced by the Local Municipality staff on a daily basis. The WWTW/Oxidation Pond System in Niekerkshoop is utilised for the sewer effluent from the conservancy tanks transported by tankers to the Works. The WWTW is in a process of being upgraded and the Council has submitted Business Plans to the relevant MIG Offices for possible funding of the project. No return flows from the oxidation ponds are available and no quality tests are done. The tanker loads dumped per day are captured in the Registers to determine the inflow volume.

¹⁷ First order assessment, DWA

¹⁸ Calculation made based on size of ponds measured from Google maps

¹⁹ Calculation made based on size of ponds measured from Google maps

²⁰ WRP Consulting Engineers, DMM, Golder, KV3, Zitholele (2009) *Development of a Reconciliation Strategy for All Towns in the Central Region, Frances Baard District Municipality in Northern Cape Province: Reconciliation Strategy for Marydale Town in Siyathemba Local Municipality in the Lower Vaal WMA*, Department of Water Affairs. P.16

²¹ WRP Consulting Engineers, DMM, Golder, KV3, Zitholele (2009) *Development of a Reconciliation Strategy for All Towns in the Central Region, Pixley ka Seme District Municipality in Northern Cape Province: Reconciliation Strategy for Niekerkshoop Town in Siyathemba Local Municipality in the Lower Vaal WMA*, Department of Water Affairs. P.162



PRIESKA²²

The Sanitation System in the Prieska community consists of an internal sanitation system with waterborne sanitation network and onsite sanitation facilities. Furthermore, there are some septic tanks in areas not serviced with the sewer network.

The waterborne sewage contents gravitate through a network of underground sewer pipes to various collection sewage pump stations. Electrical driven submersible sewage pumps transfer the sewage to a main sewer pump station. From this pump station, another set of electrical driven submersible pumps pump the sewage to the Prieska Wastewater Treatment Plant.

The Wastewater Treatment Plant is an Anaerobic oxidation Pond System. The current capacity of the ponds is 2.2 Mℓ/day and the capacity used, is 95%. All final water or effluent is pumped to the Prieska Golf Club for irrigation of the lawns and fields. The final effluent is not disinfected with chlorine at this stage.

The ponds were upgraded during 2008. No laboratory tests are available on the waste water quality of the Prieska WWTW. Bucket sewage contents are emptied into a tanker and are transported to the Wastewater Treatment Plant.

5.1.2.2 Level of Service

The Municipality progressed very well in reaching the National Target to eradicate sanitation needs in their area of jurisdiction. According to the DWA Geodata base, the following level of services are provided:

a. Formal

Settlement	Households 2011	Flush to network	Conservancy tank	VIP	Bucket	None	Unknown	TOTAL SANITATION FORMAL HH
Marydale	785	0	264	213	173	1	0	477
Niekerkshoop	493	0	161	295	0	31	3	456
Prieska	3,089	2,660	0	58	0	307	0	2,718
TOTAL	4,367	2,660	425	566	173	339	3	3,651

²²WRP Consulting Engineers, DMM, Golder, KV3, Zitholele (2009) *Development of a Reconciliation Strategy for All Towns in the Central Region, Pixley ka Seme District Municipality in Northern Cape Province: Reconciliation Strategy for Prieska Town in Siyathemba Local Municipality in the Lower Vaal WMA*, Department of Water Affairs. P.16



Integrated Development Plan

2013/14

Siyathemba Municipality

b. Informal

Settlement	Households 2011	Flush to network	Conservancy tank	VIP	Bucket	None	Unknown	TOTAL SANITATION INFORMAL HH
Marydale	785	0	0	0	129	0	0	0
Niekerkshoop	493	0	0	0	0	0	0	0
Prieska	3,089	0	0	0	0	0	0	0
TOTAL	4,367	0	0	0	129	0	0	0

5.1.2.3 Free Basic Services²³

Siyathemba Municipality is providing free basic sanitation services to all the indigent households. These households do not pay the monthly rates and taxes on sanitation services. For buckets, VIP and conservancy tanks, the service are 100% subsidised by the Municipality. In the case of full waterborne sanitation, 70% of the rates and taxes are paid by the Municipality as part of Free Basic Services.

An Indigent Policy is available which provides the detail with regards to who qualify as an indigent. The Register is updated on an annual basis.

During the 2010/11 financial year, 49% of the households were registered as indigents.

5.1.2.4 Planning

The Municipality does not have any type of Master Plan Document available for sanitation services. Previously, it was addressed as part of the WSDP, but since the responsible Department has changed from DWA to CoGHSTA, this service is no longer discussed in detail in the WSDP.

It should however be noted that most of the critical issues with regards to sanitation service delivery, internal and bulk, have been addressed.

The Municipality is however in the process to compile a Wastewater Risk Abatement Plan to address all the risks with regards to wastewater management. The focus of this Plan is however on management issues and not specifically to improve the level of services and the upgrade of infrastructure.

5.1.2.5 Operation and Maintenance

The Municipality does not have an Operation and Maintenance Master plan available for their entire sanitation infrastructure. This activity is listed as a possible project for future years.

The Municipality is however doing regular maintenance on their entire infrastructure.

²³ Interview J Badenhorst, 2012-04-13



5.1.2.6 Quality

The Municipality participated in the Green Drop Certification Programme implemented by the Department of Water Affairs.

An overall score of 18% were obtained. The specific Waste Supply System scored the following:

- ✂ Marydale: 15.2%
- ✂ Prieska: 21.9%
- ✂ Niekerkshoop: 17%

The following regulatory comments were made in the Green Drop Report 2011:

The Siyathemba Local Municipality has digressed markedly from their fairly good 2009 Green Drop scores (65-71%) to very poor ratings of 15-21% currently. These scores are pointing at some significant factors and decision that has been effected within the municipality, to allow such disgraceful digress in performance. The gaps in the current performance are reaching across all spheres of what is considered good practice in wastewater management. Five assessment areas were scored with 0%, whilst the remainder 4 areas did not fare much better to instil confidence. Of interest is that the technical site visit did not concur with the evidence presented by the municipal staff during the assessment. The Prieska Plant, although not excellent, showed a site that is well maintained and properly operated. This would indicate either a low preparedness for the Green Drop Assessment or a focus on technical site work and not so much the administrative and managerial functions of the wastewater services business.

The overall trend for Siyathemba is therefore a strong negative, and is further evidenced by the CRR trends which indicate that 2 of the Plants are in now in **critical risk space** with a **100% CRR**. This situation demands the urgent attention of municipal management and provincial Local Government. Regulatory actions will be triggered via these findings.

Green Drop Findings:

1. Three of the 3 Wastewater Treatment Plants do not have adequate monitoring regimes in place. With this failure, comes the lack of credible scientific testing and reporting.
2. 100% of the plants are not in compliance with the Effluent Quality Discharge Standards employed within the Municipality.
3. None of the 3 Systems have capacity evidence or plans to rectify the non-compliance scenario, with the exception being Prieska.
4. Basic systems, procedures, manuals and processes are lacking for all 3 Systems, which is evident of management disfunctionality.
5. Underlying to the above findings is the evidence that adequately qualified and registered staff is not in place, and that resources are not readily mobilised to address the gaps reported to Management.



5.1.2.7 Related Projects

During the 2011/12 financial year, the Municipality received funds from DWA from the Accelerated Community Infrastructure Programme (ACIP). This grant was utilised to refurbish sanitation infrastructure and equipment. The following were done:

Table 10: Sanitation Related Projects

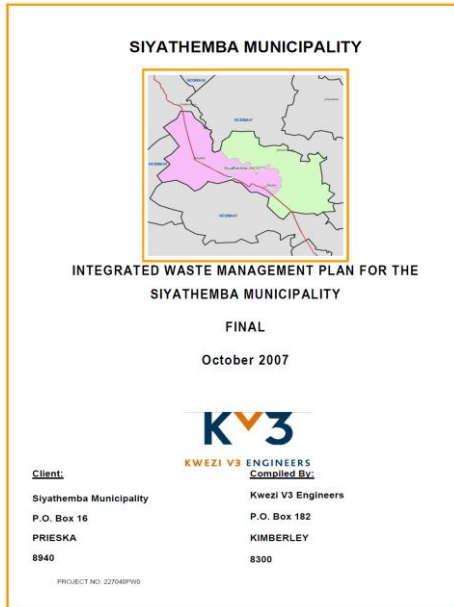
Town	Activities
PRIESKA	Purchase of Two standby sewer pumps (No.2) Aangekoop??? Refurbishment of sewer tanker intake (No. 1) Replacement of manhole covers at main sewer pump sets
MARYDALE	Refurbishment of sewer tanker intake Refurbishment/Replacement of night soil suction tanker Fence oxidation pond area
NIEKERKSHOOP	Refurbishment of sewer intake to oxidation ponds Refurbishment/Replacement of sewer tanker

5.1.2.8 Challenges

1. The wastewater treatment facility in Marydale does not function as a proper wastewater treatment works.
2. There is still bucket toilets in the area which needs to be eradicated as a matter of urgency.
3. VIP toilets are collapsing. These households do not have access to a safe and decent sanitation facility.
4. A high percentage of households do have access to a sanitation facility which is in line with minimum standards. The municipality however aims to provide waterborne sanitation to all households. There are dry sanitation facilities which needs to be upgraded.
5. Households in the informal area in Prieska does not have access to proper sanitation facilities. There are however vacant erven which do have proper services. These people need to be relocated to these areas.
6. The municipality are doing maintenance of infrastructure on an adhoc basis. A proper Operation and Maintenance plan needs to be developed for all the water infrastructure/assets.
7. Currently the Municipality are not providing any services on farm areas. A strategy needs to be developed with regards to the latter.
8. The Green drop score for the municipality is still very low. General wastewater management needs to be improved.



5.1.3 WASTE MANAGEMENT²⁴



All households to have access to at least once-a-week refuse removal services.

An Integrated Waste Management Plan was compiled for Siyathemba Municipality during 2007 and the document was finalised during October 2007.

The services which the Municipality is delivering are categorised as follows:

- ✂ Refuse removal
- ✂ Street cleansing
- ✂ Landfill sites, transfer stations and bulk containers

The Municipality is rendering this service internally and it is coordinated from Prieska. The service delivery for the various towns is managed from the Local Service Delivery Centres due to the distance of the towns from each other. There are also no private waste contractors active within the municipal area.

The Siyathemba Municipality does not have a set of Bylaws which comprehensively address the Council's responsibility for the removal of refuse, management of disposal facilities, waste minimisation, illegal activities, payment of fees and penalties.

There are currently no formal Municipal driven waste minimisation activities taking place in the Siyathemba Municipality. However, the Municipality is assisting one individual to recycle glass bottles from the landfills.

The Municipality is also currently not offering any recycling incentives to private people or businesses.

5.1.3.1 Waste Removal

A regular waste removal service is provided to all the urban areas within the Municipality. The farming areas of the Siyathemba Municipality do not receive a waste removal service. The provision of such a service is at the moment not envisaged by the Municipality.

²⁴ Integrated waste management plan for Siyathemba Municipality October 2007



The Siyathemba Municipality utilises a Black Refuse Bag System. Residents have to buy their own refuse bags. The Municipality accepts any number of bags per household, so there is no specific limit. The bags are placed on the curb outside the house and collected from there. In some areas in Prieska, as well as in Marydale and Niekerkshoop, people put out their refuse bins from where it is emptied onto a truck.

Waste removal service, residential and businesses, are done once a week.

The Municipality charge 49.57 per month per household to delivery this service.

In all the towns within the municipal area, small amounts of garden waste are collected together with general household waste.

There is one Provincial Hospital (in Prieska) and smaller Medical Clinics in Niekerkshoop and Marydale. The Municipality is not involved in the removal of any medical waste from these Institutions. The medical waste is collected by SANUMED and incinerated and disposed of in the Free State. The Municipality does not experience any problems with medical waste at the landfill sites.

Industries in the area are mostly confined to light industries. The Municipality is currently not experiencing any problems with regard to the disposal of hazardous waste from industry or mining activities on the existing disposal facilities.

Street sweeping is done in the CBD's of areas of Prieska, Niekerkshoop and Marydale. There is no street sweeping in the residential areas and the residential areas will only be cleaned if it is necessary to do so.

5.1.3.2 Waste Disposal

Each of the towns has its own solid waste disposal site.

Table 11: Waste disposal

Town	Site
Prieska	Existing permitted landfill site
Marydale	Existing unauthorised landfill site
Niekerkshoop	Existing unauthorised landfill site

a. Prieska

The landfill in **Prieska** is a Class G:C:B' permitted site. The site has approximately enough airspace for the next 20 years. The site is not well managed due to certain financial and personnel constraints. The waste is not covered on a regular basis and is burned once disposed of. The site is not fenced and access is not controlled. No record-keeping takes



place at the entrance to the site. Wind-blown litter is a serious problem at the site. There was one employee stationed at the site.

Table 12: Prieska Landfill Site

Position of site:	4 km south of town.
Permit:	Yes
Year issued:	14/4/2003
Classification of site:	Class G:C:B-
Type of Operation (end – tip, trench, cell):	There is only a large area excavated for dumping purposes. Waste is disposed haphazardly and burned.
Estimated size of site:	Approximately 2 ha.
Estimated remaining life of site:	The remaining life of the site is 20 years
Separation of fresh and contaminated water:	None in place.
Groundwater monitoring:	Not required in permit
Volumes per day, week or month:	It is estimated that the site receives approximately 76 tonnes per week.
Is cover material available?	No
Is the drainage sufficient?	No
Is there access control?	No
Is the site fenced?	No.
Does the site have a sufficient buffer zone?	Yes. No houses situated in the proximity of the site.
Type of equipment utilised on site:	None
Operating hours:	7h30 to 16h30
Estimating cost for closure:	No estimate regarding closure exists. Due to the extended life of the site, the Saving Plan is not in place yet.
Saving Plan for closure:	

In general, the proposed Works can be summarized in the following projects and activities:

- ✂ Clean the area outside the throughput
- ✂ Bulldozed, compact and covered waste with a gravel layer
- ✂ Build a new incinerator with separation cages and dump area
- ✂ Replace the old incinerator with a new incinerator
- ✂ Excavate a new through put

b. Niekerkshoop

The landfill site at **Niekerkshoop** is located 7 km outside town. The site is fenced (needs maintenance), but access is not controlled. The open burning of waste in a pit forms part of the operational procedure for the site. The waste is not covered on a daily basis due to the absence of proper landfill equipment. The operation of the site is not up to an acceptable standard.



Table 13: Niekerkshoop Landfill Site

Position of site:	7 km east of town
Permit:	No
Year issued:	N/A
Classification of site:	Not permitted - no classification.
Type of Operation (end – tip, trench, cell):	Site is an open pit where waste is burned indiscriminately.
Estimated size of site:	Approximately 2.5 ha.
Estimated remaining life of site:	20 years
Separation of fresh and contaminated water:	None in place.
Groundwater monitoring:	No groundwater monitoring takes place.
Volumes per day, week or month:	It is estimated that the site receives approximately 4 tonnes per week.
Is cover material available?	No
Is the drainage sufficient?	No
Is there access control?	No
Is the site fenced?	Yes, however the existing fence needs some maintenance
Does the site have a sufficient buffer zone?	Yes, the site is situated some distance away from the town.
Type of equipment utilised on site:	None
Operating hours:	None
Estimating cost for closure:	No estimate regarding closure exists. The Municipality must budget for the closure and rehabilitation in the near future.
Saving Plan for closure:	

c. Marydale

The **Marydale landfill site** is located 3 km north of town. The site is not fenced and access is not controlled. Wind-blown litter is also a serious problem in the vicinity of the site. There is no landfill equipment on the site and therefore covering of the waste does not occur at all. The site is not properly operated with waste being disposed of haphazardly and burned after disposal.

Table 14: Marydale landfill site

Position of site:	3 km North of town
Permit:	No
Year issued:	N/A
Classification of site:	Not permitted - no classification.
Type of Operation (end – tip, trench, cell):	Site is an open pit where waste is burned indiscriminately.
Estimated size of site:	Approximately 1.5 ha.
Estimated remaining life of site:	Expected to be 20 years
Separation of fresh and contaminated water:	None in place.
Groundwater monitoring:	No groundwater monitoring takes place.
Volumes per day, week or month:	4.4 tonnes/week
Is cover material available?	No
Is the drainage sufficient?	No



Integrated Development Plan

2013/14

Siyathemba Municipality

Position of site:	3 km North of town
Is there access control?	No
Is the site fenced?	No
Does the site have a sufficient buffer zone?	Yes
Type of equipment utilised on site:	None
Operating hours:	7h30 to 16h30
Estimating cost for closure:	No estimate regarding closure exists. The Municipality must budget for the closure and rehabilitation in the near future.
Saving Plan for closure:	

In general, the proposed Works can be summarized as follows:

- ✂ Opening up of new cells
- ✂ Building of ablution facilities and control / storage room
- ✂ Erection of fence and access gate
- ✂ Clean the area outside the throughput
- ✂ Bulldozed, compacted and covered waste with a gravel layer
- ✂ Re-gravel the access road
- ✂ Construction of a low water bridge.
- ✂ Storm water Control

5.1.3.3 Equipment

The Siyathemba Municipality has a few vehicles that are old and are due for replacement. The tipper truck utilised in Prieska for example, is in need of replacement. The Municipality is responsible for the maintenance of their own vehicles.

The equipment that is utilised by the Siyathemba Municipality is given below in the Table below.

Table 15: Vehicles

REG NUMBER	MODEL	VEHICLE DESCRIPTION	CONDITION*	Based
DBR 984 NC	1985	Isuzu Tipper truck (6m ³)	Bad	Prieska
BFN 334 NC	1993	Tractor Trailer	Fair	Niekerkshoop
BFD 423 NC	1977	Tractor Trailer	Bad	Marydale

*Note that the indicated **VEHICLE CONDITION** is a subjective as assessment of the vehicles and no mechanical assessment of the vehicles had been conducted for this Study.

The Siyathemba Municipality has no transfer stations within the municipal area.

5.1.3.4 Related Projects

2 MIG Projects are ongoing in Prieska and Marydale to upgrade the landfill sites in order to comply with legislation. These projects are MIG Projects with a value of R3,9930 million.



5.1.3.5 Challenges

- ✂ Illegal dumping of waste is common in several of the outlying and township areas. The Municipality has to collect this waste at an unnecessary cost. The Siyathemba Municipality has recognized the need for education of the people regarding this practice; however, nothing has yet been implemented. The Municipality is also experiencing dumping of waste in areas not demarcated for waste disposal.
- ✂ Waste volumes are also not recorded at the entrances to the disposal sites.
- ✂ There are no Waste Minimization Strategies that have been developed. These need to be addressed and implemented.
- ✂ The new developments that are taking place in the Siyathemba Municipality must be included for the provision of a waste disposal service.
- ✂ Illegal dumping of waste is common in several of the outlying and township areas. The illegal disposal should be addressed in order to manage and minimize the illegal activities pertaining to waste disposal.
- ✂ New Municipal Bylaws should be drafted by the District Municipality (for use by the Local Municipalities within the District) that pertain directly to waste and issues surrounding waste management. Issues such as waste minimization and recycling, etc., should be dealt with in the Bylaws.
- ✂ The Siyathemba Municipality has a shortage of personnel, specifically with regard to the management of the disposal sites. Limited or no personnel are present at the disposal sites. Vacant posts should be filled and posts should be created for the management of the disposal sites.
- ✂ The Siyathemba Municipality has a few vehicles that are old and in poor condition that are due for replacement.
- ✂ The Niekerkshoop and Marydale disposal sites are not authorized. The process to authorize these disposal facilities should be initiated by the Municipality. The operation of these sites is not up to standard. The sites should be upgraded (properly fenced/secured, guard house with ablution) and the operations should be improved in accordance with the Minimum Requirements for Waste Disposal by Landfill document.
- ✂ The Prieska Disposal Site should be upgraded (fenced, guard house and ablution facility) and operated in accordance with the Permit Conditions for the site, as well as the Minimum Requirements for Waste Disposal by Landfill as published by the Department of Water Affairs.
- ✂ Access should be controlled at the disposal facilities and a record should be kept of the types and volumes of waste that is being disposed of at each site.
- ✂ Municipal waste records should be kept and maintained for informed future decision-making purposes and to comply with the Government's Waste Information System requirements.
- ✂ A Mitigation Strategy or some form of succession planning should be developed for the expected increase in HIV-AIDS related deaths amongst personnel.



- ✂ A Public Awareness and Education Programme should be implemented consisting of flyers, newspaper notices and road shows.
- ✂ The Municipality does not have a Air Quality Management Plan. Since Prieska is situated in close proximity of the SKA development, a decision needs to be taken whether the development of such a plan should be prioritised.

5.1.4 ELECTRICITY/ENERGY



All households to be connected to national grid.

Siyathemba Municipality, together with ESKOM, is responsible for electricity supply in the 3 towns.

Table 16: Responsible Institution

	Internal network	Public lighting
Prieska	LM and ESKOM	LM
Niekerkshoop	ESKOM	LM
Marydale	ESKOM	LM

In the LED Strategy of the Municipality, the following Table was included. Reference were made that spatial projections based on Census 2001 and Quantec Research 2012 were used. It is also said that it was estimated that some 85% to 90% of households in the Municipal area had access to electricity during 2010.

Table 17: Access to Electricity

Sub-Place	Number of Households		Level of Access
	2001	2010	
E'Thembeni SP	585	790	75.9%
Marydale SP	412	556	84.2%
Niekerkshoop SP	399	539	90.9%
Prieska SP	520	702	82.1%
Lemnertsville	1165	1 574	96.4%
Hay NU	88	119	58.6%
Prieska NU [Part of P3D03M07M05]	393	531	80.2%
Westerberg SP	1	1	100.0%
Total	3561	4 812	85.2%

The level of household access to electricity has improved slightly from 85.4% in 2001 to over 87% during 2010. Most farms in the area procure their electricity directly from ESKOM.

The Municipality has an Electricity Master Plan available which was developed in the early 2000. The Municipality works according to this Plan to upgrade electricity infrastructure, as well as to develop new infrastructure.



Electricity service is done by the municipality in a part of Prieska. This is the smallest section in the infrastructure department and the staff establishment is currently 5 employees.

Two areas in Prieska still need to be upgraded because the electricity network is old and power failures occur. The Municipality applied for money to upgrade it, but all applications at the Department of Energy have been turned down, because they argue that INEP funds cannot be allocated for the upgrading of existing electricity infrastructure. The biggest part of Prieska, as well as the whole of Marydale and Niekerkshoop, is being supplied by ESKOM directly to customers.

Apart from meter inspections and new installations, maintenance work is done that relate to complaints received or faults which occur. Maintenance work includes:

- ✂ Maintenance of high and low voltage networks
- ✂ Maintenance of street and high mast lights
- ✂ New and maintenance of house connections
- ✂ Maintenance of electrical equipment at municipal installations and buildings such as water treatment works, borehole submersible pumps, sewerage pumps stations, waste water treatment works, etc.
- ✂ Offices
- ✂ Community halls

The electrical service provides a standby service on a full time (24 hrs) basis in order to react to complaints and limit power failure to a minimum.

5.1.4.1 Challenges and Areas to Improve Service Delivery

1. The Master plan for the Municipality was developed during 1998. This plan needs to be revisited and updated.
2. The Municipality need to complete the MIG projects registered during the previous financial years.

5.1.5 STORM WATER

Very little infrastructure exists within the Municipality. There is only a small portion of Prieska where storm water infrastructure exists.

The Municipality does not have an Storm Water Management Plan.

5.1.5.1 Challenges and Areas to Improve Service Delivery

1. Development of a Storm Water Management Plan which will assist the Municipality to phase in this service on a sustainable and cost effective manner.



5.1.6 SOCIAL SERVICES

5.1.6.1 Housing

The Municipality appointed ASLA Devco (Pty) Ltd on a 3 year contract to act as a Turnkey Implementing Agent for housing and housing related infrastructure. The Team started to develop a Housing Action Plan, with the aim to ensure effective allocation of limited resources, to provide a formal and practical housing priority for implementation and identify the Strategic Implementation Plan for the housing need in Siyathemba Municipal Area. The Municipality therefore does not have an Approved Housing Sector Plan, but a Draft Housing Action Plan is available.

The Municipality does not have updated figures available regarding the housing need in their area of jurisdiction. This is a major challenge for the Municipality and proper planning cannot be done since status quo information is not available. As soon as data is available with regards to the housing need in the area, the Municipality will have a better understanding of the challenges in terms of housing and will be in a better position to identify specific housing subsidy schemes (BNG, rental, ect) to address these needs.

During 2010, the following information was captured in the Housing Plan: Data Collection and Project Readiness.

Table 18: Housing Needs

MUNICIPALITY	HOUSING NEED	NUMBER OF SITES AVAILABLE FOR 2010/11
SIYATHEMBA TOTAL	3,502	642
<i>Marydale</i>	1,292	115
<i>Niekerkshoop</i>	521	60
<i>Prieska</i>	1,689	467

The allocation for Siyathemba Municipality is relatively small. The Municipality is therefore struggling to address the housing need in the area. With the Housing Allocation to date Siyathemba manage to build 20 and 203 new RDP houses units in Prieska in to the values of R1, 804,000.00 and R20, 354, 233.86 respectively. A new application for 310 plots for Prieska, 55 for Marydale and 54 Niekerkshoop was submitted with COGHSTA. This application is to service the sites in Prieska and for Bulk services and for the Top Structures and Conservancy Tanks in both Marydale and Niekerkshoop.

These Areas earmarked for new housing development and extensions are the indicated in the figures below:



Figure 7: Prieska Housing Development Area

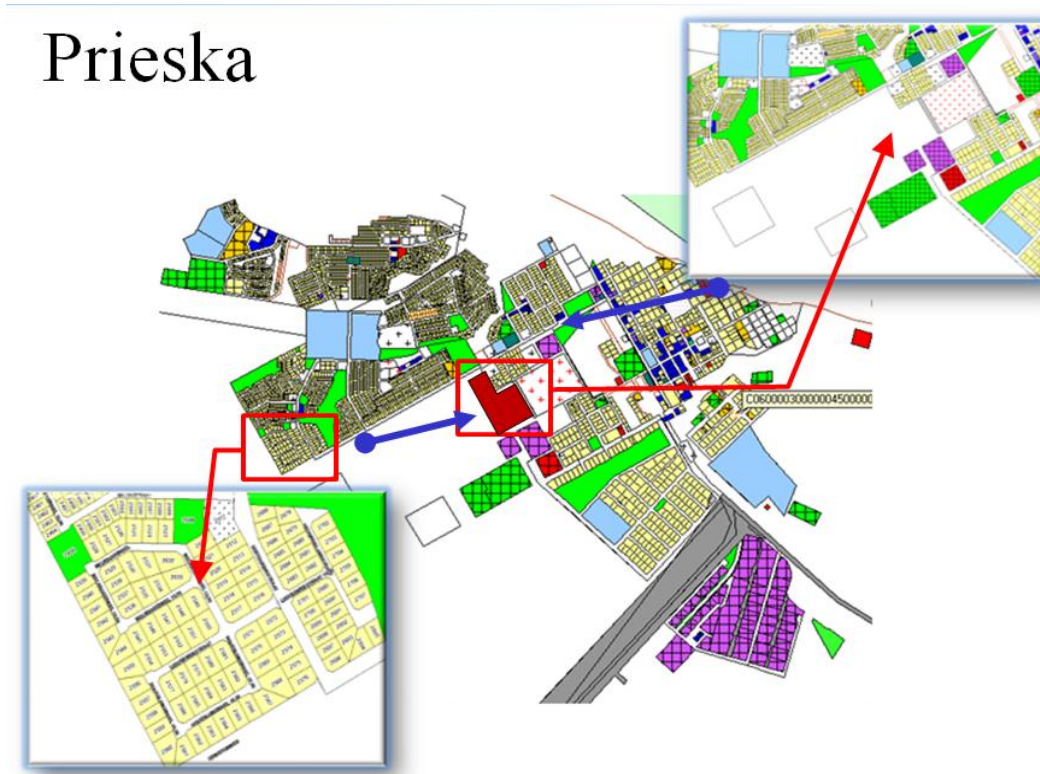


Figure 8: Marydale Housing Development Area

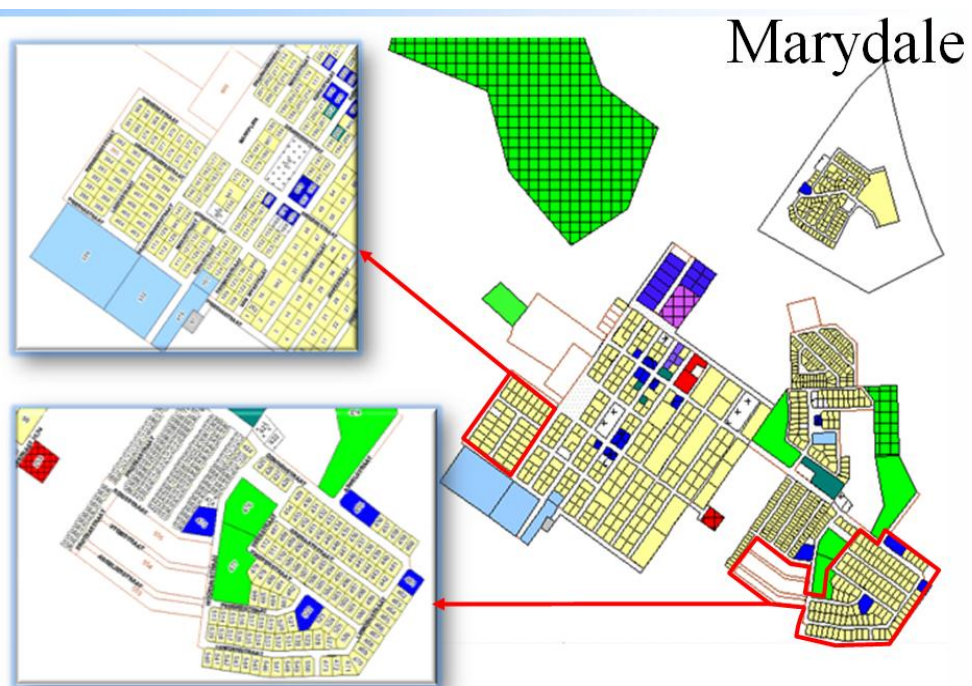
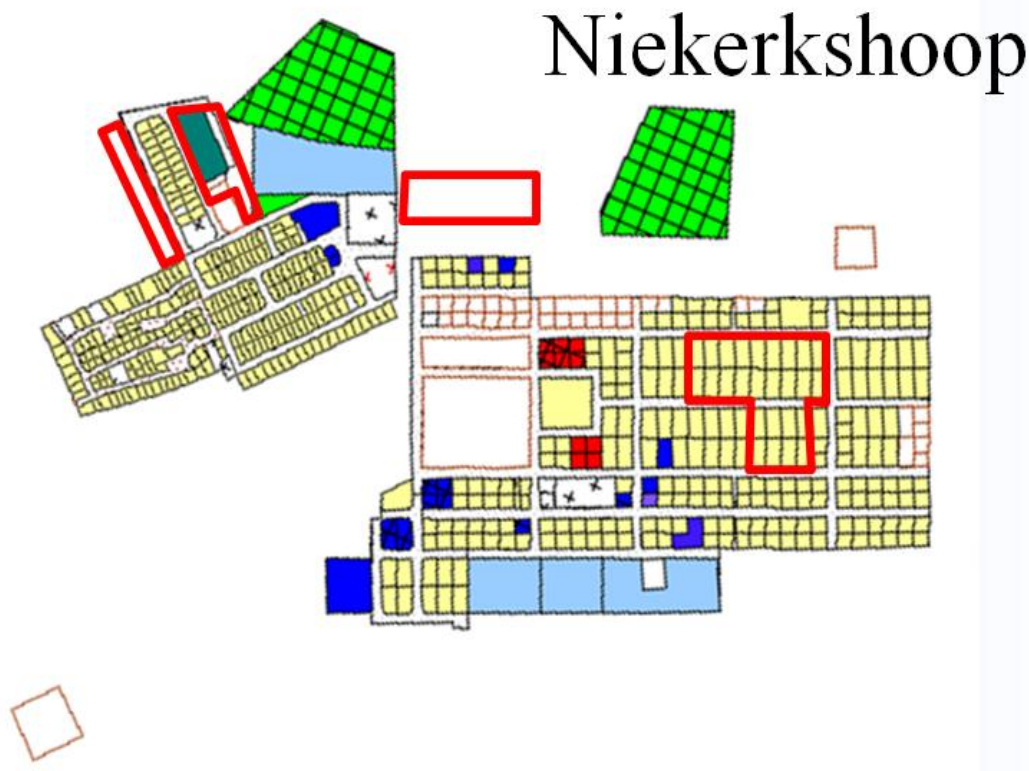




Figure 9: Niekerkshoop Housing Development Area



Other housing projects which are currently in the pipeline are the following;

- ✂ Fairview Extension 15, Prieska. The Business Plan was prepared for the servicing of 310 erven and the construction of top structures. The signature from the Municipal Manager is awaited.
- ✂ Marydale 55 and Niekerkshoop 54: Business Plans for the construction of top structures have been submitted to CoGHSTA.

5.1.6.2 Challenges and Areas to Improve Service Delivery:

1. The Municipality does not have proper and realistic information with regards to the housing need in the area.
2. The Implementing agent, together with the municipality started with the development of a Housing Action plan. The aim of this plan needs to be revisited in order to ensure that it can fulfil the role of an Integrated Housing Sector plan. Thereafter the plan needs to be finalised.
3. The Municipality does not have a Spatial Development Plan/Framework to guide development in the area.
4. Progress with regards to the relocation of the Koegas settlement is very slow. The municipality should only play a facilitators role in this regard.



Integrated Development Plan

2013/14

Siyathemba Municipality

5.1.7 HEALTH SERVICES

The following health facilities are available within the jurisdiction area of the Municipality:

Type of Clinic	Clinic name	Town/village name	Sufficient sanitation services	Sufficient water services
Permanent Clinic	Niekerkshoop Clinic	Niekerkshoop	Yes	Yes
Permanent Clinic	Ethembeni Clinic	Prieska	Yes	Yes
Permanent Clinic	Marydale PHCC	Marydale	Yes	Yes
Permanent Clinic	Prieska Clinic	Prieska	Yes	Yes

The Municipality does not experience much challenges with regards to the availability of Clinics and/or Hospitals. The support services such as roads, electricity, water and sanitation are also sufficient.

The Mayor mentioned the following in the Annual Report:

“We are well covered by a Hospital in Prieska, Clinics in Niekerkshoop and Marydale and at present, we face challenges in the areas of ambulances (Niekerkshoop), and Medical Practitioner shortages. Medicine shortages are in the process to be addressed.”

According to the Service Transformation Plan of the Department of Health, Prieska qualifies for a Community Health Centre. No information is however available on when such a facility will be constructed.

5.1.7.1 Challenges

1. Niekerkshoop does not have any Ambulance services. Negotiations with Dept of health should be initiated to identify possible solutions.
2. It is indicated that Prieska community qualify for a Community Health Facility. The municipality only have limited information with regards to this proposed project. Negotiations with Dept of health should be initiated to develop a plan of action.

5.1.7.2 Education

The following Schools are within the Municipal area:

School name	Town/village	Learner enrolment total	Educator Total	Admin & support - Total	Type of school
Bloukrans School	Farm	78	3	2	Combined
Modderfontein (Sskv) School	Farm	35	1	0	Primary
Sonskyn School	Marydale	678	19	4	Combined
Môreson School	Niekerkshoop	473	15	4	Primary
Hoërskool Prieska	Prieska	378	20	9	Combined



Integrated Development Plan

2013/14

Siyathemba Municipality

J.J. Dreyer School	Prieska	830	24	6	Primary
R.D. Williams School	Prieska	980	27	9	Primary
Prieska School	Prieska	330	11	5	Primary
Redlands School	Prieska	42	2	0	Primary
Heuwelsig School	Prieska	990	29	8	Secondary

The Municipality does not experience much challenges with regards to the availability of schools. The support services such as roads, electricity, water and sanitation are also sufficient.

5.1.7.3 Other Services

In the table below, a short description is also given on other services which form part of the Infrastructure and Service Delivery Division within the Municipality:

Table 19: Other Services

Service line	Status quo
Safety and Security	There is a Police Station in each of the 3 towns. There is no fire brigade in the municipal area. The Municipality does not have a Disaster Management Plan. A Community Safety Plan is developed. The Municipality is in the process to obtain a copy of this plan.
Town Planning and Building Centre	The staff involved in Town Planning and Building Centre provides information to other Departments, as well as Consulting Engineers and Consultants regarding proposed developments and land information on a continuous basis.
Cemeteries	The Council has 3 cemeteries in Prieska where burials take place. Currently, we are busy with a MIG Project to upgrade one of them because more space becomes essential. In Niekerkshoop and Marydale there are also 2 cemeteries in each town where burials take place. In Niekerkshoop and Marydale, we are currently also busy with a MIG Project in order to upgrade 2 cemeteries because more space is needed for burials.
Airfield	The Airfield in Prieska is suitable for airplanes to land and take off. There are 2 gravelled runways that are gravelled regularly. This airfield is registered with the Civil Aviation Authority and is inspected by them every year after which a license is issued to the Municipality.
Commonage	The Municipality's commonage covers an area of 33 000 ha. The commonage is currently used mainly by emerging farmers. Infrastructure on the



commonage is being vandalized by thieves who remove fences, windmills and other infrastructure.

5.2 PUBLIC PARTICIPATION AND GOOD GOVERNANCE

Strategic Objective	Promote a culture of participation and good governance
Intended Outcome	Entrenched culture of accountability and clean governance

5.2.1 GOVERNANCE STRUCTURES

The Municipality operates according to a Plenary Executive System where executive powers are exercised by a full meeting of the Municipal Council. The Mayor, Councillor P Papier (ANC), leads the Council comprising of 8 Councillors – 5 ANC, 1 DA and 2 COPE Members.

The area consists of three towns, of which Prieska serves as the seat of the Municipality. Siyathemba Municipality has eight Councillors elected to the Council indirectly and on a proportional basis. The Municipal Council has a Mayor who serves as the Speaker and seven members.

- ✂ Mayor & Ward Councillor P Papier, ANC
- ✂ Ward Councillor F Van Wyk, ANC
- ✂ Ward Councillor D Molepo, ANC
- ✂ Ward Councillor G Speelman, ANC
- ✂ Councillor: E Martin, ANC
- ✂ Councillor: District R Ithumeleng, ANC
- ✂ Councillor: PR G Macdonald, COPE
- ✂ Councillor: PR B Titus, COPE
- ✂ Councillor: PR G Mackay, DA



Integrated Development Plan

2013/14

Siyathemba Municipality

Table 20: Availability and Status of Structures

Name of Committee	In place
Internal audit function	The Municipality does not have an Internal Audit Committee in place. The Pixley ka Seme District Municipality is assisting the Municipality with this function.
Audit Committee	The Municipality did establish such a Committee in 2010. It did however not function as prescribed in the MFMA. One of the members also passed away and the Committee was disestablished. The Municipality again re-advertised this position and will appoint a suitable candidate as soon as possible. The aim is to have the Committee functional in the Municipal Financial Year of 2012/13.
Oversight Committee	The Municipality has established a Municipal Public Accounts Committee as stipulated in Section 79 of the Municipal Structures Act. The guidelines, as provided by the Department of Co-Operative Governance and National Treasury were used. The Committee was only established late in the 2011/12 financial year and will therefore only be operational as from the 2012/13 financial year.
Ward Committees	There are 4 Ward Committees, one in each of the 4 Wards. The Ward Councillor is the Chairperson for the specific Ward Committee. In general, the Municipality is satisfied with the operations of the Ward Committees.
Council Committees	There are four standing Council Committees, viz. 1. IDP, LED and Infrastructure Development 2. Housing and Social Development 3. Credit Control, Debt Collection and Economic Affairs 4. Performance Management, Systems, Personnel and Council Affairs The specific Councillor is the Chairperson of the various Standing Committees.
Supply Chain Committees	The Municipality has an Evaluation Committee and an Adjudication Committee in place, but currently not a Specification committee.

Other Public Participation Initiatives:

- ✂ The Municipality strives to have “Councillor meets the People” sessions on a quarterly basis. During these sessions, the community has the opportunity to communicate any grievances which they might have.
- ✂ The Principle Administration Officer also acts as the Communication Officer of the Municipality. This person is responsible for the compilation of a quarterly newsletter. The Newsletter indicates activities which took place in the municipal area during that specific quarter. Announcements such as meetings which take place, documents ready for public comments, etc., are also made in these Newsletters. The Newsletters are currently only available at the 3 Municipal Offices. The aim is to distribute these Newsletters also with the monthly municipal accounts.
- ✂ The Municipality started to develop a website. It is already operational and the Municipality should now ensure that it is maintained on a regular basis. The address for the website is www.siyathemba.gov.za
- ✂ The Municipality will also distribute flyers to communities if specific announcements need to be communicated.



- ✂ The Municipality attends the quarterly District Mayoral Forum meetings. The Mayor of Siyathemba Municipality attends the meetings of this Forum.
- ✂ Councilor M van Wyk is co-opted by the Siyathemba Municipality Council to act on the District Council.
- ✂ The Municipality also attends the District Intergovernmental Forum meetings. The Municipal Manager and Chief Financial Officer attend the Technical and Financial IGR meetings, whilst the Mayor of the Municipality attends the Political IGR Forum meetings.

The Library Services render an important educational service to the Siyathemba Community. The aim of the service is to take the Libraries to the people. The main aim of the Siyathemba Library Service is to render an effective and efficient service to the community of Siyathemba. The Library provides information and recreational services to adults, learners and students. This section creates a culture of reading through Educational Programmes. We are also involved with Provincial Library Services in a Library Development Programme where we address the needs of Libraries through Financial Allocation from Provincial Administration.

5.2.2 MANAGEMENT AND OPERATIONAL SYSTEMS

The availability and status of the various Management and Operational Systems are described in the paragraphs below.

5.2.2.1 Complaints Management System

The Municipality does not have a formal Complaints System in place. A Policy was however compiled and the draft was tabled for Council approval. The Policy still needs to be adopted by Council and thereafter it needs to be implemented.

Currently there are mainly 2 platforms used by the communities to communicate grievances, namely:

- ✂ Complaints Register at the Municipal Office: Community members can complete this Register. The complaints are given to the Municipal Manager and he again delegates it to the specific Line Manager. There is however no formal procedure in place to provide feedback whether the complaint has been addressed or not.
- ✂ Council meets the People: These sessions take place on a Quarterly basis. The Council communicates any new developments with the community members and they again have the opportunity to list their problems, etc.

5.2.2.2 Fraud Prevention Plan

For the 2011/12 financial year, the Municipality did not have any Policy or Plan in place with regards to fraud prevention. The Evaluation and Adjudication Committee's strives to ensure that all tenders are correctly advertised, adjudicated and awarded. A Plan was however drafted late in the 2011/12 financial year and tabled at Council for approval. The Municipality aims to implement this Plan during the 2012/13 financial year.



5.2.2.3 Communication Strategy

The Municipality does not have such a Strategy in place. The Principle Administration Officer also acts as the Communication Officer of the Municipality. This person is responsible for the compilation of a quarterly Newsletter. The Newsletter indicates activities which took place in the municipal area during that specific quarter. Announcements such as meetings which take place, documents ready for public comments, etc. are also made in these Newsletters. The newsletters are currently only available at the 3 Municipal Offices. The aim is to also distribute these Newsletters with the monthly municipal accounts. The Communication Officer also attends a quarterly meeting at the District Municipality.

As can be seen in the above paragraphs (5.2.1, Table 20 and this paragraph), there is a number of activities within the Municipality to ensure transparency and public participation. These activities are however not documented in a formal Communication strategy which can be adopted by Council as well as implemented and monitored. There is a generic Communication and Public participation Policy in place, but it does not guide these initiatives within Siyathemba Municipality.

5.2.2.4 Stakeholder Mobilization Strategy/Public Participation Strategy

The Municipality does not have such a Strategy in place.

5.2.2.5 Records Division

The Records Division is entrusted with the core responsibility of managing the Municipality's official records by means of achieving the records, disposing of certain of those records and the transfer of records to the Provincial Archives. In general, this division manages access to records and also serves as a centre for the receipt, distribution and dispatch of correspondence to and from the public, as well as to Councillors.

5.2.3 CHALLENGES:

1. The municipality succeeded in developing guideline documents and/or establish committees during the 2011/12 financial years. These committees are however not operational yet. They are:
 - ≈ Audit committee
 - ≈ Oversight committee
 - ≈ Supply chain committees
2. The wards areas in the Siyathemba area are vast and therefore it is difficult for people to attend ward meetings. The idea is to co-opt a specific person who can attend these meetings and disseminate the information afterwards to a specific area.
3. The Municipality does not have a desk to assist with and support initiative in terms of special groups such as people living with HIV/Aids, youth, violence against women.
4. The Newsletter of the municipality is not yet fulfilling the role as initially anticipated. It can also be distributed much wider.



5. The website for the municipality is developed, but it must now be maintained to ensure that it reaches the envisaged benefits.
6. The library services play an important educational role in the community. Although the library can benefit from the Library development fund, there is currently not activity plan developed.

5.3 INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

Strategic Objective	Improve Organisational Cohesion and Effectiveness
Intended Outcome	Improved organisational stability and sustainability

5.3.1 IT

The Municipality has a central server and all users can access the information on the server. There is however rights allocated to specific drivers which cannot be accessed by all users.

The Municipality is making use of an external Service Provider to do the necessary back-ups of information, as well as to do basic maintenance of the server and the computers. The Service Provider is visiting the Municipality on a regular basis to perform this function.

There is no structured plan for the purchasing of new hard and/or software. If the need arise for more computers or specific programmes, the staff member will discuss it with the Municipal Manager and he will evaluate the request. Each year there is a budget for “Furniture and Equipment” and the Municipal Manager makes use of this allocation to authorise and purchase computers and/or programmes.

There are a Nashua and Gestetner Stores in Prieska. These 2 suppliers are used to purchase the day-to-day consumables such as paper, cartridges, etc.

5.3.2 AVAILABILITY OF SKILLED STAFF

In general, the Northern Cape Province is struggling to attract skilled people to the Province, as well as to retain them. This situation is also the same within the Municipality. The recruitment and appointment process attempts to appoint local inhabitants of Siyathemba, first and foremost. However, the process does identify scarce skills, i.e. Electricians, Engineers, etc. and therefore recruits much wider²⁵.



Integrated Development Plan

2013/14

Siyathemba Municipality

The qualifications of the Senior Managers in the Municipality are indicated in the table below²⁶:

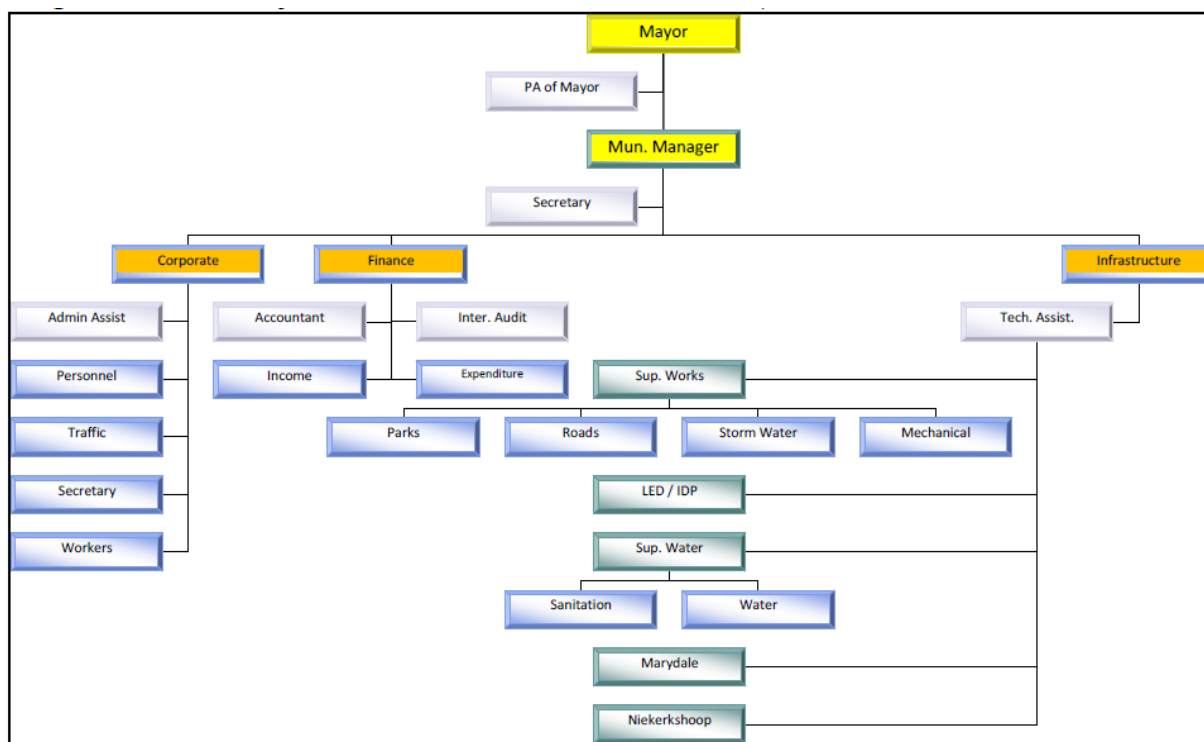
Municipal manager	Financial manager	Corporate services manager	Technical service manager	IDP manager
Masters in Administration	B.Com	Vacant	B.Com	N6 Engineering

5.3.3 ORGANISATIONAL STRUCTURE

For the delivery of services, the administration of the Municipality is divided into 3 Departments:

- ✂ Corporate Services
- ✂ Finances
- ✂ Infrastructure

Figure 10: Organogram²⁷



This Structure and Organogram were approved by the Council in 2001. Job descriptions are available for all these positions. The Municipality is however in the process to review their Organogram and to make the necessary changes to improve internal operations, as well as service delivery. The Municipal Manager indicated that they have progressed very well in terms of negotiations and the aim is to finalise the revision process by the end of June 2012²⁸.

²⁶ Section 47 Assessment report 2008/09, CoGHSTA, December 2010

²⁷ IDP 2011/12

²⁸ Interview with Mr Bessies, 25 April 2012



The status quo in terms of the Municipal Structure and positions are indicated in the paragraphs below. The information is sourced from the Section 78 Investigation which was done during August 2011. In June 2011, the Organogram of the Municipality indicated 107 different positions²⁹.

The staff component is summarized in the table below:

Table 21: Staff component

Sub Division	Total number of staff	Filled positions	Number of vacancies
Water	16	11	5
Electricity	8	5	3
Sewerage	24	17	7
Refuse	23	17	6
Drivers	1	0	1
Parks	15	6	9
Public Works	31	21	10
Clerk in Technical Division	1	0	1
Library	9	9	0
Co-operate Services	10	10	0
HR Officer	1	0	1
Treasury including interns	18	16	2
PA Mayor	1	0	1
Traffic Department	5	0	5
Data Clerk	1	0	
TOTAL	163	112	51

Since a number of positions are vacant, the Municipality makes use of several contract positions, especially in the Technical Department. These positions are indicated in the table below:

Table 22: Contract Positions

Place	Number
Niekerkshoop	6
Prieska	
Water	3
Sanitation	4
Parks	9
Refuse	2
Electricity	3
Marydale	2

²⁹ Section 78(1) Assessment report, August 2011



For the 2011/12 financial year, approximately 30% of the positions were vacant.

During late 2011/12 financial year, the Municipality succeeded in filling a number of the vacant posts. Currently, the following posts are still vacant:

- ✂ Corporate Division: Receptionist and Corporate Manager
- ✂ Financial Division: Intern, Data Clerk and Store Man
- ✂ Technical/Infrastructure: Superintendent Water and Wastewater and Electric Assistant Worker

The Municipality has not yet finalised the process to compile job descriptions for all the new posts that are indicated in the draft Organogram.

5.3.4 PLANS AND STRATEGIES

Information with regards to related Plans and Strategies can be summarised as follows:

Plan/Strategy	Status
Skills Development Plan	The Plan is in place.
Human Resource Management Strategy	Strategy not yet developed.
Performance Management System	An external Service Provider assisted the Municipality during 2011 to develop a PMS. The Municipality must therefore start to implement the System as from the 2012/13 financial year. Currently, there are no Performance Management Contracts in place. Key Performance Indicators need to be identified and linked with the SDBiP. The Municipality further aims to start implementing the Scorecard System as from the 2012/13 financial year.

5.3.5 CHALLENGES

1. The Municipality does not have a Integrated Human Resource Strategy in place to address all issues with regards to people already on the organogram of the Municipality as well as to retain employees and attract skilled people.
2. The current organogram of the municipality are not structured in such a way that it promotes and accommodates all the functions of developmental government. The municipality is in the process to revise the structure, but it is not yet approved.
3. The municipality developed a Performance management system, but this system is not yet rolled out in the municipality and not implemented.
4. The Municipality experiences challenges with regards to debt collection.
5. Although the Municipality does have a Skills development plan in place, the improvement of skills within the Municipality remains a challenge.
6. The Municipality does not have a Functional Labour Forum in place



5.4 FINANCIAL VIABILITY

Strategic Objective	To improve overall financial management in the Municipality by developing and implementing appropriate Financial Management Policies, Procedures and Systems
Intended Outcome	Improved Financial Management and Accountability

Financial viability is critical for ensuring the sustainability of municipal services. In Siyathemba, the financial viability of the Municipality needs to be improved. According to the Municipality, their economic situation and cash flow are under pressure, and this is largely due to the low payment culture. Audit opinions tracked over time indicate that the Municipality is NOT improving its Audit Outcomes: From 2006/2007 to 2012/2013 Siyathemba Local Municipality received a Disclaimer.³⁰

The Mayor also indicated the following in the Annual Report 2010/11::

“Our financial position is influenced by debt collection rate and grant dependency from Provincial and National Government. At our Strategic Planning Session, we adopt the approach to turn our audit outcome (disclaimer) for the past years into an opportunity and is in process to be address by capacity building in the form of staff appointments and training, implementation of SCM unit, budget control measures, and creditors ordering system and timely payment of creditors and improved debt collection. Our cash flow situation is addressed by means of improved debt collection and ways to increase our income streams.”

³⁰ Online available from <http://www.agsa.co.za/AboutUs/TheAuditorGeneral.aspx>



5.4.1 FINANCIAL VIABILITY STATEMENTS

5.4.1.1 Statement of the Financial Position at 30 June 2011

The overall operating results for the year ending 30 June 2011, as well as the comparison with the budgeted figures and the actual results of 2012, are reflected in the following Table:

5.4.1.1.1 OPERATING REVENUE FRAMEWORK

For Siyathemba Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 70% annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2013/14 MTREF (classified by main revenue source):



Integrated Development Plan

2013/14

Siyathemba Municipality

Table 23 Summary of revenue classified by main revenue source

NC077 Siyathemba - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)										
Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard										
<i>Governance and administration</i>		507	604	21 498	25 158	27 715	27 715	24 827	26 782	29 040
Executive and council		507	604	661	725	680	680	766	804	855
Budget and treasury office		-	-	20 585	24 148	25 849	25 849	23 319	25 002	27 108
Corporate services		-	-	252	286	1 186	1 186	743	977	1 077
<i>Community and public safety</i>		2 175	292	1 118	1 665	780	780	809	820	829
Community and social services		582	292	1 073	1 615	730	730	749	754	759
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 558	-	-	-	-	-	-	-	-
Housing		35	-	45	50	50	50	60	66	70
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		55	29 680	15 984	14 864	14 647	14 647	22 580	10 626	10 813
Planning and development		55	21 821	13 573	13 514	-	-	-	-	-
Road transport		-	7 859	2 412	1 350	14 647	14 647	22 580	10 626	10 813
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		22 603	22 108	37 280	43 368	43 170	43 170	43 480	48 701	50 988
Electricity		7 961	7 701	14 783	18 194	18 019	18 019	24 166	27 343	28 158
Water		6 654	6 963	12 180	13 101	13 078	13 078	8 924	9 821	10 831
Waste water management		7 988	7 444	7 318	8 614	8 614	8 614	7 588	8 467	8 667
Waste management		-	-	2 998	3 459	3 459	3 459	2 802	3 070	3 333
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	25 340	52 684	75 880	85 055	86 311	86 311	91 696	86 929	91 670
Expenditure - Standard										
<i>Governance and administration</i>		19 433	13 807	19 882	28 043	21 527	21 527	43 246	36 886	38 870
Executive and council		2 561	4 744	10 388	11 172	11 315	11 315	15 611	13 711	14 396
Budget and treasury office		15 885	8 305	9 439	16 807	10 007	10 007	27 423	22 964	24 262
Corporate services		987	758	55	65	205	205	212	212	212
<i>Community and public safety</i>		2 269	909	3 109	3 666	3 052	3 052	3 790	4 037	2 394
Community and social services		-	-	1 798	2 169	1 663	1 663	1 257	1 302	1 349
Sport and recreation		757	801	1 295	1 468	1 348	1 348	2 507	2 708	1 019
Public safety		-	-	6	14	26	26	26	27	27
Housing		1 494	73	-	-	-	-	-	-	-
Health		18	34	10	15	15	15	-	-	-
<i>Economic and environmental services</i>		4 309	32 792	21 338	20 985	21 461	21 461	12 471	10 661	11 450
Planning and development		4 309	25 600	18 618	19 386	-	-	-	-	-
Road transport		-	7 192	2 720	1 599	21 461	21 461	12 471	10 661	11 450
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		17 899	17 157	31 550	30 002	29 312	29 312	36 789	39 903	43 064
Electricity		6 782	7 393	12 900	18 341	15 436	15 436	20 455	22 640	24 265
Water		4 498	4 862	8 946	1 324	7 351	7 351	5 557	5 754	6 272
Waste water management		-	-	5 925	8 580	3 571	3 571	4 869	5 171	5 702
Waste management		6 619	4 902	3 778	1 757	2 954	2 954	5 909	6 338	6 824
<i>Other</i>	4	-	-	-	-	10	10	10	10	10
Total Expenditure - Standard	3	43 910	64 665	75 880	82 696	75 362	75 362	96 307	91 497	95 788
Surplus/(Deficit) for the year		(18 570)	(11 981)	0	2 359	10 949	10 949	(4 611)	(4 569)	(4 117)



Integrated Development Plan

2013/14

Siyathemba Municipality

Table 24 Percentage growth in revenue by main revenue source

NC077 Siyathemba - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote										
Vote 1 - MANAGEMENT SERVICES	1	-	-	-	-	680	680	766	804	855
Vote 2 - FINANCIAL SERVICES		-	-	-	-	25 849	25 849	23 319	25 002	27 108
Vote 3 - CORPORATE SERVICES		-	-	-	-	3 482	3 482	2 627	2 928	3 093
Vote 4 - TECHNICAL SERVICES		-	-	-	-	56 301	56 301	64 984	58 196	60 614
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	-	-	86 311	86 311	91 696	86 929	91 670
Expenditure by Vote to be appropriated										
Vote 1 - MANAGEMENT SERVICES	1	-	-	-	-	11 330	11 330	15 611	13 711	14 396
Vote 2 - FINANCIAL SERVICES		-	-	-	-	10 007	10 007	27 423	22 964	24 262
Vote 3 - CORPORATE SERVICES		-	-	-	-	3 401	3 401	3 362	3 497	3 801
Vote 4 - TECHNICAL SERVICES		-	-	-	-	50 625	50 625	49 911	51 326	53 329
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	-	-	75 362	75 362	96 307	91 497	95 788
Surplus/(Deficit) for the year	2	-	-	-	-	10 949	10 949	(4 611)	(4 569)	(4 117)

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than half of the total revenue mix. In the 2013/14 financial year, revenue from rates and services charges totalled R34 8million. This increases to R38.4million, R41.3 million in the respective financial years of the MTREF. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 64 MBRR SA1 (see page 99).

Refuse is the smallest revenue source from services totalling R1million rand and increases to R1.4million by 2015/16. The smallest source is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R27.7 million in the 2013/14 financial year and steadily increases to R30.8million by 2015/16.



Integrated Development Plan

2013/14

Siyathemba Municipality

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 25 Operating Transfers and Grant Receipts

NC077 Siyathemba - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		12 606	17 391	19 154	24 608	24 608	24 608	27 046	29 111	30 166
Local Government Equitable Share		11 006	15 441	16 914	20 108	20 108	20 108	21 171	22 427	24 149
Finance Management		750	1 200	1 450	1 500	1 500	1 500	1 650	1 800	1 950
Municipal Systems Improvement		850	750	790	800	800	800	890	934	967
Integrated National Electrification Programme					1 200	1 200	1 200	2 335	3 950	3 100
EPWP Incentive					1 000	1 000	1 000	1 000		
Provincial Government:		507	519	542	689	689	689	695	695	695
Library Grant		507	519	542	689	689	689	695	695	695
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	13 113	17 910	19 696	25 297	25 297	25 297	27 741	29 806	30 861
Capital Transfers and Grants										
National Government:		6 387	7 026	10 246	12 479	12 479	12 429	18 300	9 708	9 821
Municipal Infrastructure Grant (MIG)		6 387	7 026	10 246	12 429	12 429	12 429	11 800	9 708	9 821
Regional Bulk Infrastructure					50	50		6 500		
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	6 387	7 026	10 246	12 479	12 479	12 429	18 300	9 708	9 821
TOTAL RECEIPTS OF TRANSFERS & GRANTS		19 500	24 936	29 942	37 776	37 776	37 726	46 041	39 514	40 682

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in



excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

5.4.2 PROPERTY RATES

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0, 25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R25 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- 25 per cent rebate will be granted on all state owned properties
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;



- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2013/14 financial year based on a 10 per cent increase from 1 July 2013 is contained below:

Table 26 Comparison of proposed rates to be levied for the 2013/2014 financial

Category	Current Tariff (1 July 2012)	Proposed tariff (from 1 July 2013)
	c	C
Residential properties	0.02195	0.01683
State owned properties	0.00549	0.03766
Business & Commercial	0.02853	0.02448
Agricultural	0.00048	0.00026

5.4.3 SALE OF WATER AND IMPACT OF TARIFF INCREASES

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.



Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

A tariff increase of 10 per cent from 1 July 2012 for water is proposed. This is based on input cost of inputs increasing by 10 per cent.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 27 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2011/12	PROPOSED TARIFFS 2013/14
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
(i) 0 to 6 kℓ	4.3	4.69
(ii) 7 to 12 kℓ	4.7	5.15
(iii) 13 to 50 kℓ	5.2	5.77
(iv) 51 to 150 kℓ	6.1	6.70
(iv) +150 kℓ	7.3	8.04

The tariff structure of the 2013/14 financial year has been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing as consumption increases.

5.4.4 SALE OF ELECTRICITY AND IMPACT OF TARIFF INCREASES

NERSA has announced the revised bulk electricity pricing structure. An 7 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2013.

Registered indigents will again be granted 50 kWh per 30-day period free of charge

The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for domestic customers:



Integrated Development Plan

2013/14

Siyathemba Municipality

Table 28 Comparison between current electricity charges and increases (Domestic)

BESKRYWING	2013/2014	2013/2014	% Verhoging	2012/2013	2012/2013
	BTW INGESLUIT	Tarief		BTW INGESLUIT	Tarief
B1) KLEINKRAGVERBRUIK (<1000kwh p/m)					
<i>Besighede waarvan die gemiddelde maandelikse gebruik vir die voorafgaande 12 maande minder was as 1000kwh (1 Julie -30Junie)</i>					
a) Energieheffing	1.11	1.0	7.00	1.03	0.9
b) Basiesheffing	894.65	784.8	7.00	836.12	733.4
B2) KLEINKRAGVERBRUIK(>1000 kwh p/m)					
<i>Besighede waarvan die gemiddelde maandelikse gebruik vir die voorafgaande 12 maande meer was as 1000kwh (1 Julie - 30 Junie)</i>					
a) Energieheffing	1.11	1.0	7.00	1.03	0.9
b) Basiesheffing	1 087.77	954.2	7.00	1 016.60	891.8
C) HUISHOUELIK					
Vir huishoudelike toevoere waar konvensionele meettoerusting gebruik word :					
Conventional meters - Households *					
Households * 1 kWh - 50 kWh (Free Indigents only)	1.20	1.1	5.50	1.08	1.0
Households *51 kWh - 350 kWh	1.28	1.1	6.50		
Households *351 kWh - 600 kWh	1.37	1.2	7.00		
Households *601 kWh and more	1.46	1.3	7.00		
b) Basiesheffing per maand	352.76	309.4	7.00	329.68	289.2

It should further be noted that NERSA has approved that a inclining block tariff structure at 7 per cent needs to be implemented from 1 July 2013. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The Municipality has entered into discussions with NERSA regarding the suitability of the NERSA proposed inclining block tariffs compared to those already being implemented by the Municipality already.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the Municipality. Most of the suburbs and inner Municipality reticulation network was designed or strengthened in the early 1980's with an expected 20-25 year life-expectancy. The upgrading of the Municipality's electricity network has therefore become a strategic priority, especially the substations and transmission lines.

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. It is therefore proposed that the taking up of loans as a strategy for funding of the infrastructure be considered and approved to spread the burden over the life span of the assets. As part of the 2013/14 medium-term capital programme, funding has been allocated to electricity infrastructure but these funding levels will require further investigation as part of the next budget cycle in an attempt to source more funding to ensure this risk is mitigated.



5.4.5 SANITATION AND IMPACT OF TARIFF INCREASES

A tariff increase of 10 per cent for sanitation from 1 July 2013 is proposed. This is based on the input cost assumptions related to water. It should be noted that electricity costs contributes approximately 20 per cent of waste water treatment input costs, therefore the higher than CPI increase of 10 per cent for sanitation tariffs. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the type of consumer and the level of service provided as indicated in the table below;
- Free sanitation will be applicable to registered indigents; and
The total revenue expected to be generated from rendering this service amounts to R 3.7 million for the 2013/14 financial year.

The following table compares the current and proposed tariffs:

Table 29 Comparison between current sanitation charges and increases

BESKRYWING	2013/2014	2013/2014	% Verhoging	2012/2013	2012/2013
	BTW INGESLUIT	Tarief		BTW INGESLUIT	Tarief
<i>Riooltarief</i>					
<i>Beskikbaarheidsgelde</i>					
Beskikbaarheid	120.9	106.0	10	109.9	96.4
Onbeboude staatserwe	961.0	843.0	10	873.7	766.4
Beboude woonerwe	181.3	159.0	10	164.8	144.6
Kerke,kerksale,Sport en welsyn	120.9	106.0	10	109.9	96.4
Besighede	285.4	250.4	10	259.5	227.6
Besighede -Ekstra potte	85.2	74.7	10	77.4	67.9

5.4.6 WASTE REMOVAL AND IMPACT OF TARIFF INCREASES

Currently solid waste removal is operating at a small surplus. The main contributors to expenditure are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

A 5 per cent increase in the waste removal tariff is proposed from 1 July 2013. Higher increases will not be viable in 2013/14 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services. Any increase higher than 5 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.



Integrated Development Plan

2013/14

Siyathemba Municipality

The following table compares current and proposed amounts payable from 1 July 2013:

Table 30 Comparison between current waste removal fees and increases

BESKRYWING	2013/2014	2013/2014	% Verhoging	2012/2013	2012/2013
	BTW INGESLUIT	Tarief		BTW INGESLUIT	Tarief
Vullis					
Per standaard Drom per maand					
Prieska	62.7	55.0	10	57.0	50.0
Marydale	62.7	55.0	10	57.0	50.0
Niekerkshoop	62.7	55.0	10	57.0	50.0

5.4.7 OVERALL IMPACT OF TARIFF INCREASES ON HOUSEHOLDS

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to a maximum percentage of 10%.

NC077 Siyathemba - Supporting Table SA14 Household bills

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14 % incr.	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		558.75	590.49	627.10	661.96	661.96	661.96	5.6%	661.96	695.06	1 042.59
Electricity: Basic levy		195.45	246.66	296.93	329.68	329.68	329.68	11.0%	356.05	384.54	692.17
Electricity: Consumption		343.15	434.29	522.80	580.46	580.46	580.46	11.0%	626.90	677.05	1 218.70
Water: Basic levy		195.45	206.55	222.46	255.82	255.82	255.82	15.0%	276.29	298.39	537.11
Water: Consumption		343.15	362.64	390.56	449.15	449.15	449.15	15.0%	485.08	523.89	943.00
Sanitation		121.50	133.29	143.35	164.85	164.85	164.85	15.0%	178.04	192.28	346.11
Refuse removal		44.15	48.43	52.16	59.99	59.99	59.99	15.0%	64.79	69.97	125.94
Other											
sub-total		1 801.60	2 022.35	2 255.35	2 501.92	2 501.92	2 501.92	5.9%	2 649.11	2 841.18	4 905.61
VAT on Services											
Total large household bill:		1 801.60	2 022.35	2 255.35	2 501.92	2 501.92	2 501.92	5.9%	2 649.11	2 841.18	4 905.61
% increase/-decrease			12.3%	11.5%	10.9%	-	-		5.9%	7.3%	72.7%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		258.05	272.71	289.62	305.72	305.72	305.72	5.6%	330.18	356.59	385.12
Electricity: Basic levy		195.45	246.66	296.93	329.68	329.68	329.68	11.0%	362.65	398.91	438.80
Electricity: Consumption		151.70	191.99	231.12	256.61	256.61	256.61	11.0%	282.27	310.50	341.55
Water: Basic levy		42.00	44.39	47.80	54.97	54.97	54.97	15.0%	60.47	66.52	73.17
Water: Consumption		32.15	33.98	36.59	42.08	42.08	42.08	15.0%	46.29	50.92	56.01
Sanitation		121.45	133.23	143.29	164.78	164.78	164.78	15.0%	181.26	199.39	219.33
Refuse removal		44.15	48.43	52.16	59.99	59.99	59.99	15.0%	65.98	72.58	79.84
Other											
sub-total		844.95	971.38	1 097.51	1 213.83	1 213.83	1 213.83	9.5%	1 329.10	1 455.41	1 593.82
VAT on Services											
Total small household bill:		844.95	971.38	1 097.51	1 213.83	1 213.83	1 213.83	9.5%	1 329.10	1 455.41	1 593.82
% increase/-decrease			15.0%	13.0%	10.6%	-	-		9.5%	9.5%	9.5%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		32.50	34.35	36.48	38.50	38.50	38.50	5.6%	41.58	44.91	48.50
Electricity: Basic levy								11.0%			
Electricity: Consumption								11.0%			
Water: Basic levy		57.40	60.66	65.33	75.13	75.13	75.13	15.0%	82.64	90.91	100.00
Water: Consumption		76.40	80.74	86.96	100.00	100.00	100.00	15.0%	110.00	121.00	133.10
Sanitation		41.65	45.69	49.14	56.51	56.51	56.51	15.0%	62.16	68.38	75.22
Refuse removal								15.0%			
Other											
sub-total		207.95	221.44	237.90	270.14	270.14	270.14	9.7%	296.39	325.20	356.82
VAT on Services											
Total small household bill:		207.95	221.44	237.90	270.14	270.14	270.14	9.7%	296.39	325.20	356.82
% increase/-decrease			6.5%	7.4%	13.6%	-	-		9.7%	9.7%	9.7%



Integrated Development Plan

2013/14

Siyathemba Municipality

5.5 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2013/14 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2013/14 budget and MTREF (classified per main type of operating expenditure):

Table 31 Summary of operating expenditure by standard classification item

Expenditure By Type											
Employee related costs	2	18 439	19 152	27 104	30 461	27 642	27 642	27 642	33 933	36 056	37 129
Remuneration of councillors		1 001	1 750	1 902	2 069	2 182	2 182	2 182	2 494	2 688	2 850
Debt impairment	3	–	1 240	1 240	3 500	800	800	800	3 165	3 194	3 542
Depreciation & asset impairment	2	150	150	150	5 200	9 707	9 707	9 707	10 588	11 105	11 547
Finance charges		295	–	–	780	274	274	274	1 376	1 449	1 528
Bulk purchases	2	4 925	7 800	11 073	13 318	13 318	13 318	13 318	17 684	19 934	21 560
Other materials	8	–	–	–	5 628	–	–	–	–	–	–
Contracted services		–	–	–	800	800	800	800	700	700	700
Transfers and grants		–	–	–	–	3 989	3 989	3 989	813	500	500
Other expenditure	4, 5	–	–	–	–	30 727	30 727	30 727	25 553	15 871	16 432
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		24 811	30 092	41 469	61 756	89 439	89 439	89 439	96 307	91 497	95 788

The budgeted allocation for employee related costs for the 2013/14 financial year totals R33.933 million, which equals 35 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement which expires at the end of the current financial year, salary increases have been factored into this budget at a percentage increase of 8 per cent for the 2013/14 financial year. An annual increase of 8 per cent has been included in the two outer years of the MTREF. As part of the Municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards. As part of the planning assumptions and interventions all vacancies were originally removed from the budget and a report was compiled by the Corporate Services Department relating to the prioritization of critical vacancies within the Municipality. In addition expenditure against overtime was significantly reduced, with provisions against this budget item only being provided for other critical functions.

The fact that a settlement has not been reached by the SALGBC parties in the salary dispute resulted in an uncertainty on this area of expenditure. It should be noted that the total financial implication could not be determined as the applicable municipal wage curve (representing equal pay for equal work at all municipalities in South Africa) has not been finalised.



The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 70 per cent. For the 2013/14 financial year this amount equates to R3.1 million and escalates to R3.5 million by 2015/16. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from DWAF. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited indicating that significant cost savings have been already realised.

5.5.1 PRIORITY GIVEN TO REPAIRS AND MAINTENANCE

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2013/14 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

During the compilation of the 2013/14 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. To this end, repairs and maintenance was substantially increased by from R2.4million to R3.1million. This strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2013/14 equates to R3.1 million and growth is seen in relation to the Adjustment Budget and continues to grow over the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises of 3.2 per cent for the respective financial years of the MTREF. This is mainly due to bulk electricity purchases that continually exceed growth in other expenditure items.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:



Integrated Development Plan

2013/14

Siyathemba Municipality

Table 32 Repairs and maintenance per asset class

NC077 Siyathemba - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure										
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
Community										
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing	7	-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets										
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties										
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets										
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets										
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets										
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles										
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	-	-	-	-	-	-	-	-	-
Specialised vehicles										
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as % Operating Expenditure		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

For the 2013/14 financial year R3.1of total repairs and maintenance will be spent on assets.



Integrated Development Plan

2013/14

Siyathemba Municipality

5.5.2 FREE BASIC SERVICES: BASIC SOCIAL SERVICES PACKAGE

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 2455 or more indigent households during the 2013/14 financial year, a process reviewed annually. Detail relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 38.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

5.6 CAPITAL EXPENDITURE

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 33 2011/12 Medium-term capital budget per vote

Capital Expenditure - Standard										
Governance and administration										
Executive and council										
Budget and treasury office										
Corporate services										
Community and public safety										
Community and social services										
Sport and recreation										
Public safety										
Housing										
Health										
Economic and environmental services				11 184	11 184	11 184		4 542	6 500	
Planning and development				2 166	2 166	2 166				
Road transport				9 018	9 018	9 018		4 542	6 500	
Environmental protection										
Trading services				1 824	1 824	1 824		18 493	7 158	12 921
Electricity								6 635	3 950	3 100
Water										
Waste water management								11 858	3 208	9 821
Waste management				1 824	1 824	1 824				
Other										
Total Capital Expenditure - Standard	3			13 008	13 008	13 008		23 035	13 658	12 921
Funded by:										
National Government				13 008	13 008	13 008		20 635	13 658	12 921
Provincial Government										
District Municipality										
Other transfers and grants										
Transfers recognised - capital	4			13 008	13 008	13 008		20 635	13 658	12 921
Public contributions & donations	5									
Borrowing	6									
Internally generated funds								2 400		
Total Capital Funding	7			13 008	13 008	13 008		23 035	13 658	12 921



For 2013/14 an amount of R23, 035 million has been appropriated for the development of infrastructure which represents 100 per cent of the total capital budget. In the outer years this amount totals R13.658 million, 100 per cent and R12.921 million, 100 per cent respectively for each of the financial years. Water services receive the highest allocation of R 10.2 million in 2013/14.

Total new assets represent 100 per cent or R23, 035 million of the total capital budget. Further detail relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR A9 (Asset Management) on page 36. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 88, 89 and 90). Some of the salient projects to be undertaken over the medium-term includes, amongst others:

The future operational costs and revenues associated with the capital programme have been included in the MTREF expenditure. This concomitant operational expenditure is expected to escalate to R100 million by 2017/18. It needs to be noted that as part of the 2013/14 MTREF, this expenditure has been factored into the two outer years of the operational budget.

5.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2013/14 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.



Integrated Development Plan

2013/14

Siyathemba Municipality

Table 34 MBRR Table A1 - Budget Summary

NC077 Siyathemba - Table A1 Budget Summary										
Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands										
Financial Performance										
Property rates	6 624	4 810	7 313	7 008	6 000	6 000	6 000	8 025	8 426	8 848
Service charges	19 534	22 520	21 007	21 009	21 969	21 969	21 969	31 482	34 574	37 184
Investment revenue	595	625	95	145	145	145	145	350	400	450
Transfers recognised - operational	327	367	32 384	24 097	24 097	24 097	24 097	25 406	25 856	27 761
Other own revenue	16 790	36 712	3 650	3 904	8 897	8 897	8 897	3 397	4 014	4 507
Total Revenue (excluding capital transfers and contributions)	43 870	65 033	64 449	56 162	61 108	61 108	61 108	68 661	73 271	78 749
Employee costs	18 439	19 152	27 104	30 461	27 642	27 642	27 642	33 933	36 056	37 129
Remuneration of councillors	1 001	1 750	1 902	2 069	2 182	2 182	2 182	2 494	2 688	2 850
Depreciation & asset impairment	150	150	150	5 200	9 707	9 707	9 707	10 588	11 105	11 547
Finance charges	295	-	-	780	274	274	274	1 376	1 449	1 528
Materials and bulk purchases	4 925	7 800	11 073	18 946	13 318	13 318	13 318	17 684	19 934	21 560
Transfers and grants	-	-	-	-	3 989	3 989	3 989	813	500	500
Other expenditure	-	1 240	1 240	4 300	32 327	32 327	32 327	29 418	19 765	20 674
Total Expenditure	24 811	30 092	41 469	61 756	89 439	89 439	89 439	96 307	91 497	95 788
Surplus/(Deficit)	19 059	34 941	22 980	(5 594)	(28 330)	(28 330)	(28 330)	(27 646)	(18 227)	(17 038)
Transfers recognised - capital	-	-	-	17 578	16 499	16 499	16 499	23 035	13 658	12 921
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	19 059	34 941	22 980	11 984	(11 831)	(11 831)	(11 831)	(4 611)	(4 569)	(4 117)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	19 059	34 941	22 980	11 984	(11 831)	(11 831)	(11 831)	(4 611)	(4 569)	(4 117)
Capital expenditure & funds sources										
Capital expenditure	-	-	-	13 008	13 008	13 008	-	23 035	13 658	12 921
Transfers recognised - capital	-	-	-	13 008	13 008	13 008	-	20 635	13 658	12 921
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	2 400	-	-
Total sources of capital funds	-	-	-	13 008	13 008	13 008	-	23 035	13 658	12 921
Financial position										
Total current assets	4 167	5 854	8 233	(5 526)	58 255	58 255	58 255	62 937	75 115	131 043
Total non current assets	126 897	140 131	385	257 751	274 700	274 700	274 700	276 314	278 866	279 845
Total current liabilities	9 363	10 575	375	15 467	37 198	37 198	37 198	48 584	53 874	87 919
Total non current liabilities	1 001	-	-	322	15 238	15 238	15 238	15 695	16 147	16 587
Community wealth/Equity	113 048	115 000	115 000	256 652	242 876	242 876	242 876	228 411	223 843	219 725
Cash flows										
Net cash from (used) operating	2 973	6 187	(3 592)	25 585	(4 452)	(4 452)	(4 452)	3 947	6 974	9 812
Net cash from (used) investing	3 242	934	(5 803)	(16 791)	3	3	3	(23 032)	(13 655)	(12 918)
Net cash from (used) financing	(961)	(50)	(600)	(10)	(314)	(314)	(314)	(361)	(415)	(478)
Cash/cash equivalents at the year end	2 542	9 612	(383)	8 960	(3 439)	(3 439)	(3 439)	(23 730)	(30 827)	(34 410)
Cash backing/surplus reconciliation										
Cash and investments available	1 013	(498)	750	1	(17 222)	(17 222)	(17 222)	(23 729)	(30 826)	(24 588)
Application of cash and investments	3 563	4 014	(3 894)	22 399	(37 392)	(37 392)	(37 392)	(32 987)	(45 973)	(57 048)
Balance - surplus (shortfall)	(2 550)	(4 512)	4 644	(22 398)	20 170	20 170	20 170	9 258	15 148	32 459
Asset management										
Asset register summary (WDV)	-	-	-	35	275 833	275 833	278 468	278 468	281 124	281 122
Depreciation & asset impairment	150	150	150	5 200	9 707	9 707	10 588	10 588	11 105	11 547
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-
Free services										
Cost of Free Basic Services provided	2 510	8 267	3 936	4 800	4 800	4 800	2 627	2 627	3 878	5 750
Revenue cost of free services provided	9 790	5 476	6 600	9 511	-	-	10 398	10 398	10 918	11 464
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	1	1	1	1	1	1	1	1	1	1
Energy:	0	0	0	0	0	0	0	0	0	0
Refuse:	5	5	5	5	5	5	5	5	5	5



Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2015/16, when a small surplus is reflected.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs. It is anticipated that by 2014/15 the water backlog will have been eliminated.



Integrated Development Plan

2013/14

Siyathemba Municipality

Table 35 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

NC077 Siyathemba - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)										
Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard										
Governance and administration		507	604	21 498	25 158	27 715	27 715	24 827	26 782	29 040
Executive and council		507	604	661	725	680	680	766	804	855
Budget and treasury office		-	-	20 585	24 148	25 849	25 849	23 319	25 002	27 108
Corporate services		-	-	252	286	1 186	1 186	743	977	1 077
Community and public safety		2 175	292	1 118	1 665	780	780	809	820	829
Community and social services		582	292	1 073	1 615	730	730	749	754	759
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 558	-	-	-	-	-	-	-	-
Housing		35	-	45	50	50	50	60	66	70
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		55	29 680	15 984	14 864	14 647	14 647	22 580	10 626	10 813
Planning and development		55	21 821	13 573	13 514	-	-	-	-	-
Road transport		-	7 859	2 412	1 350	14 647	14 647	22 580	10 626	10 813
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		22 603	22 108	37 280	43 368	43 170	43 170	43 480	48 701	50 988
Electricity		7 961	7 701	14 783	18 194	18 019	18 019	24 166	27 343	28 158
Water		6 654	6 963	12 180	13 101	13 078	13 078	8 924	9 821	10 831
Waste water management		7 988	7 444	7 318	8 614	8 614	8 614	7 588	8 467	8 667
Waste management		-	-	2 998	3 459	3 459	3 459	2 802	3 070	3 333
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	25 340	52 684	75 880	85 055	86 311	86 311	91 696	86 929	91 670
Expenditure - Standard										
Governance and administration		19 433	13 807	19 882	28 043	21 527	21 527	43 246	36 886	38 870
Executive and council		2 561	4 744	10 388	11 172	11 315	11 315	15 611	13 711	14 396
Budget and treasury office		15 885	8 305	9 439	16 807	10 007	10 007	27 423	22 964	24 262
Corporate services		987	758	55	65	205	205	212	212	212
Community and public safety		2 269	909	3 109	3 666	3 052	3 052	3 790	4 037	2 394
Community and social services		-	-	1 798	2 169	1 663	1 663	1 257	1 302	1 349
Sport and recreation		757	801	1 295	1 468	1 348	1 348	2 507	2 708	1 019
Public safety		-	-	6	14	26	26	26	27	27
Housing		1 494	73	-	-	-	-	-	-	-
Health		18	34	10	15	15	15	-	-	-
Economic and environmental services		4 309	32 792	21 338	20 985	21 461	21 461	12 471	10 661	11 450
Planning and development		4 309	25 600	18 618	19 386	-	-	-	-	-
Road transport		-	7 192	2 720	1 599	21 461	21 461	12 471	10 661	11 450
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		17 899	17 157	31 550	30 002	29 312	29 312	36 789	39 903	43 064
Electricity		6 782	7 393	12 900	18 341	15 436	15 436	20 455	22 640	24 265
Water		4 498	4 862	8 946	1 324	7 351	7 351	5 557	5 754	6 272
Waste water management		-	-	5 925	8 580	3 571	3 571	4 869	5 171	5 702
Waste management		6 619	4 902	3 778	1 757	2 954	2 954	5 909	6 338	6 824
Other	4	-	-	-	-	10	10	10	10	10
Total Expenditure - Standard	3	43 910	64 665	75 880	82 696	75 362	75 362	96 307	91 497	95 788
Surplus/(Deficit) for the year		(18 570)	(11 981)	0	2 359	10 949	10 949	(4 611)	(4 569)	(4 117)

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 4 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water, Waste water and the Waste management function. As already noted above, the municipality will be undertaking



Integrated Development Plan

2013/14

Siyathemba Municipality

a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.

- Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services.

Table 36 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

NC077 Siyathemba - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote	1									
Vote 1 - MANAGEMENT SERVICES		-	-	-	-	680	680	766	804	855
Vote 2 - FINANCIAL SERVICES		-	-	-	-	25 849	25 849	23 319	25 002	27 108
Vote 3 - CORPORATE SERVICES		-	-	-	-	3 482	3 482	2 627	2 928	3 093
Vote 4 - TECHNICAL SERVICES		-	-	-	-	56 301	56 301	64 984	58 196	60 614
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	-	-	86 311	86 311	91 696	86 929	91 670
Expenditure by Vote to be appropriated	1									
Vote 1 - MANAGEMENT SERVICES		-	-	-	-	11 330	11 330	15 611	13 711	14 396
Vote 2 - FINANCIAL SERVICES		-	-	-	-	10 007	10 007	27 423	22 964	24 262
Vote 3 - CORPORATE SERVICES		-	-	-	-	3 401	3 401	3 362	3 497	3 801
Vote 4 - TECHNICAL SERVICES		-	-	-	-	50 625	50 625	49 911	51 326	53 329
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	-	-	75 362	75 362	96 307	91 497	95 788
Surplus/(Deficit) for the year	2	-	-	-	-	10 949	10 949	(4 611)	(4 569)	(4 117)

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.



Integrated Development Plan

2013/14

Siyathemba Municipality

Table 37 Surplus/(Deficit) calculations for the trading services

Trading Services	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Electricity Income	7 961 000	7 701 102	14 782 785	18 194 436	18 019 340	18 019 340	24 165 730	27 342 570	28 157 530
Electricity Expenditure	6 782 000	7 393 273	12 900 412	18 340 939	15 435 683	15 435 683	20 454 760	22 640 230	24 265 460
Surplus / (Deficit)	1 179 000	307 829	1 882 373	(147)	2 583 657	2 583 657	3 710 970	4 702 340	3 892 070
Trading Services	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Water Income	6 654 000	6 963 004	12 180 410	13 100 743	13 077 743	13 077 743	8 923 560	9 820 910	10 830 860
Water Expenditure	4 498 000	4 861 581	8 946 300	1 323 759	7 351 400	7 351 400	5 556 630	5 753 840	6 272 040
Surplus / (Deficit)	2 156 000	2 101 423	3 234 110	11 776 984	5 726 343	5 726 343	3 366 930	4 067 070	4 558 820

- The electricity trading surplus is deteriorating over the 2013/14 MTREF from This is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers.
- The surplus on the water account remains relatively constant over the MTREF translating into a surplus.
- Note that the surpluses on these trading accounts are utilised as an internal funding source for the capital programme for asset renewal, refurbishment and the development of new asset infrastructure, *and are not used to cross-subsidise other municipal services.*



Integrated Development Plan

2013/14

Siyathemba Municipality

Table 38 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

NC077 Siyathemba - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	6 624	4 808	5 700	6 000	6 000	6 000	6 000	8 025	8 426	8 848
Property rates - penalties & collection charges		-	2	1 613	1 008	-	-	-	-	-	-
Service charges - electricity revenue	2	7 448	8 695	12 395	13 157	13 712	13 712	13 712	21 951	23 497	25 140
Service charges - water revenue	2	5 675	6 782	5 393	5 291	4 539	4 539	4 539	4 691	5 370	6 162
Service charges - sanitation revenue	2	4 004	4 525	2 620	2 460	2 951	2 951	2 951	3 776	4 464	4 464
Service charges - refuse revenue	2	1 935	2 000	600	102	767	767	767	1 065	1 243	1 418
Service charges - other		472	517	-	-	-	-	-	-	-	-
Rental of facilities and equipment		90	80	625	803	733	733	733	881	1 130	1 244
Interest earned - external investments		595	625	95	145	145	145	145	350	400	450
Interest earned - outstanding debtors		-	-	650	1 750	1 750	1 750	1 750	320	350	375
Dividends received		84	24	-	-	-	-	-	-	-	-
Fines		3	15	597	81	274	274	274	146	158	171
Licences and permits		1 620	1 920	48	5	20	20	20	-	-	-
Agency services		14 667	34 306	1 730	1 265	1 265	1 265	1 265	983	1 032	1 081
Transfers recognised - operational		327	367	32 384	24 097	24 097	24 097	24 097	25 406	25 856	27 761
Other revenue	2	327	367	-	-	4 356	4 356	4 356	1 068	1 344	1 637
Gains on disposal of PPE		-	-	-	-	500	500	500	-	-	-
Total Revenue (excluding capital transfers and contributions)		43 870	65 033	64 449	56 162	61 108	61 108	61 108	68 661	73 271	78 749
Expenditure By Type											
Employee related costs	2	18 439	19 152	27 104	30 461	27 642	27 642	27 642	33 933	36 056	37 129
Remuneration of councillors		1 001	1 750	1 902	2 069	2 182	2 182	2 182	2 494	2 688	2 850
Debt impairment	3	-	1 240	1 240	3 500	800	800	800	3 165	3 194	3 542
Depreciation & asset impairment	2	150	150	150	5 200	9 707	9 707	9 707	10 588	11 105	11 547
Finance charges		295	-	-	780	274	274	274	1 376	1 449	1 528
Bulk purchases	2	4 925	7 800	11 073	13 318	13 318	13 318	13 318	17 684	19 934	21 560
Other materials	8	-	-	-	5 628	-	-	-	-	-	-
Contracted services		-	-	-	800	800	800	800	700	700	700
Transfers and grants		-	-	-	-	3 989	3 989	3 989	813	500	500
Other expenditure	4, 5	-	-	-	-	30 727	30 727	30 727	25 553	15 871	16 432
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		24 811	30 092	41 469	61 756	89 439	89 439	89 439	96 307	91 497	95 788
Surplus/(Deficit)		19 059	34 941	22 980	(5 594)	(28 330)	(28 330)	(28 330)	(27 646)	(18 227)	(17 038)
Transfers recognised - capital		-	-	-	17 578	16 499	16 499	16 499	23 035	13 658	12 921
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		19 059	34 941	22 980	11 984	(11 831)	(11 831)	(11 831)	(4 611)	(4 569)	(4 117)
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		19 059	34 941	22 980	11 984	(11 831)	(11 831)	(11 831)	(4 611)	(4 569)	(4 117)
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		19 059	34 941	22 980	11 984	(11 831)	(11 831)	(11 831)	(4 611)	(4 569)	(4 117)
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		19 059	34 941	22 980	11 984	(11 831)	(11 831)	(11 831)	(4 611)	(4 569)	(4 117)

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R68.6 million in 2013/14 and escalates to R78.8million by 2015/16. This represents a year-on-year increase.
2. Revenue to be generated from property rates is R8.million in the 2013/14 financial year and increases to R8,8 million by 2015/16 which represents 11. per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 10 per cent, 10 per cent and 10 per cent for each of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R34,5 million for the



2013/14 financial year and increasing to R37.1 million by 2015/16. For the 2013/14 financial year services charges amount to 45 per cent of the total revenue base. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.

4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF by the percentage share of this revenue source declines due to the more rapid relative growth in service charge revenues.
5. Bulk purchases have significantly increased over the 2009/10 to 2015/16 period escalating from R4.9 million to R17.6 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from DWAF.
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.



Integrated Development Plan

2013/14

Siyathemba Municipality

Table 39 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Capital Expenditure - Standard											
Governance and administration		-	-	-	-	-	-	-	-	-	-
Executive and council											
Budget and treasury office											
Corporate services											
Community and public safety		-	-	-	-	-	-	-	-	-	-
Community and social services											
Sport and recreation											
Public safety											
Housing											
Health											
Economic and environmental services		-	-	-	11 184	11 184	11 184	-	4 542	6 500	-
Planning and development					2 166	2 166	2 166				
Road transport					9 018	9 018	9 018		4 542	6 500	
Environmental protection											
Trading services		-	-	-	1 824	1 824	1 824	-	18 493	7 158	12 921
Electricity									6 635	3 950	3 100
Water											
Waste water management									11 858	3 208	9 821
Waste management					1 824	1 824	1 824				
Other											
Total Capital Expenditure - Standard	3	-	-	-	13 008	13 008	13 008	-	23 035	13 658	12 921
Funded by:											
National Government					13 008	13 008	13 008		20 635	13 658	12 921
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	-	-	-	13 008	13 008	13 008	-	20 635	13 658	12 921
Public contributions & donations	5										
Borrowing	6										
Internally generated funds									2 400		
Total Capital Funding	7	-	-	-	13 008	13 008	13 008	-	23 035	13 658	12 921

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Single-year capital expenditure has been appropriated at R23.0 million for the 2013/14 financial year and remains relatively constant over the MTREF at levels of R13,658 million and R12,921 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. All capital over the MTREF will be financed by Grants from National and Provincial government. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).



Integrated Development Plan

2013/14

Siyathemba Municipality

Table 40 MBRR Table A6 - Budgeted Financial Position

NC077 Siyathemba - Table A6 Budgeted Financial Position											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS											
Current assets											
Cash		1 013	2		1	1	1	1	1	1	
Call investment deposits	1	–	–	500	–	–	–	–	–	–	–
Consumer debtors	1	2 340	5 000	7 000	26 000	49 433	49 433	49 433	47 839	50 543	56 484
Other debtors		633	665	700	(31 852)	8 470	8 470	8 470	14 741	24 216	74 205
Current portion of long-term receivables		11	12	15	–	26	26	26	25	23	22
Inventory	2	172	175	18	325	325	325	325	332	332	332
Total current assets		4 167	5 854	8 233	(5 526)	58 255	58 255	58 255	62 937	75 115	131 043
Non current assets											
Long-term receivables		125	130	135	97	68	68	68	66	65	63
Investments		–	1	250	–	–	–	–	–	–	–
Investment property		–	–	–	–	–	–	–	–	–	–
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	126 772	140 000	–	257 619	274 598	274 598	274 598	276 215	278 770	279 752
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		–	–	–	35	35	35	35	32	31	29
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		126 897	140 131	385	257 751	274 700	274 700	274 700	276 314	278 866	279 845
TOTAL ASSETS		131 064	145 985	8 618	252 224	332 955	332 955	332 955	339 251	353 981	410 888
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	500	–	–	17 223	17 223	17 223	23 730	30 827	24 589
Borrowing	4	1 566	1 700	–	63	361	361	361	415	478	549
Consumer deposits		340	350	350	340	–	–	–	–	–	–
Trade and other payables	4	7 438	8 000	–	15 034	15 761	15 761	15 761	21 018	19 838	59 825
Provisions		20	25	25	30	3 854	3 854	3 854	3 420	2 731	2 955
Total current liabilities		9 363	10 575	375	15 467	37 198	37 198	37 198	48 584	53 874	87 919
Non current liabilities											
Borrowing		1 001	–	–	303	1 835	1 835	1 835	1 420	942	393
Provisions		–	–	–	20	13 403	13 403	13 403	14 275	15 204	16 194
Total non current liabilities		1 001	–	–	322	15 238	15 238	15 238	15 695	16 147	16 587
TOTAL LIABILITIES		10 364	10 575	375	15 789	52 436	52 436	52 436	64 279	70 020	104 506
NET ASSETS	5	120 700	135 410	8 243	236 435	280 519	280 519	280 519	274 973	283 960	306 383
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		113 048	115 000	115 000	256 652	242 876	242 876	242 876	228 411	223 843	219 725
Reserves	4	–	–	–	–	–	–	–	–	–	–
Minorities' interests		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	113 048	115 000	115 000	256 652	242 876	242 876	242 876	228 411	223 843	219 725

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Table 66 is supported by an extensive table of notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and



Integrated Development Plan

2013/14

Siyathemba Municipality

- Reserves
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
 - Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 41 MBRR Table A7 - Budgeted Cash Flow Statement

NC077 Siyathemba - Table A7 Budgeted Cash Flows

NC0077 Sri Lanka - Table A7: Budgeted Cash Flows												
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
			33 756	27 457	15 891	45 164	33 345	33 345	33 345	39 329	43 068	46 316
	1		-	15 759	19 439	24 097	24 562	24 562	24 562	27 798	29 927	30 166
	1		-	6 387	7 026	17 578	12 429	12 429	12 429	18 300	9 708	9 821
			642	685	639	1 895	145	145	145	350	400	450
					-	-	-	-	-	-	-	-
Payments												
			(30 953)	(38 010)	(38 446)	(58 380)	(73 552)	(73 552)	(73 552)	(79 640)	(74 180)	(74 913)
			(471)	(200)	(115)	(780)	(1 331)	(1 331)	(1 331)	(1 376)	(1 449)	(1 528)
	1		-	(5 891)	(8 026)	(3 989)	(50)	(50)	(50)	(813)	(500)	(500)
NET CASH FROM/(USED) OPERATING ACTIVITIES			2 973	6 187	(3 592)	25 585	(4 452)	(4 452)	(4 452)	3 947	6 974	9 812
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
			-	350	-	500				-	-	-
			715	691	584	2				-	-	-
			10	-	-	35	3	3	3	3	3	3
			2 517	-	-	250				-	-	-
Payments												
				(108)	(6 387)	(17 578)				(23 035)	(13 658)	(12 921)
NET CASH FROM/(USED) INVESTING ACTIVITIES			3 242	934	(5 803)	(16 791)	3	3	3	(23 032)	(13 655)	(12 918)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
			-	-	-	-				-	-	-
			-	-	-	-				-	-	-
			40	45	50	(10)				-	-	-
Payments												
			(1 001)	(95)	(650)	-	(314)	(314)	(314)	(361)	(415)	(478)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(961)	(50)	(600)	(10)	(314)	(314)	(314)	(361)	(415)	(478)
NET INCREASE/(DECREASE) IN CASH HELD			5 253	7 070	(9 995)	8 784	(4 764)	(4 764)	(4 764)	(19 446)	(7 097)	(3 584)
	2		(2 712)	2 542	9 612	176	1 324	1 324	1 324	(4 284)	(23 730)	(30 827)
	2		2 542	9 612	(383)	8 960	(3 439)	(3 439)	(3 439)	(23 730)	(30 827)	(34 410)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

- The budgeted cash flow statement is the first measurement in determining if the budget is funded.
- It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- It can be seen that the cash levels of the Municipality increased significantly over the 2009/10 to 2013/14 period owing directly to a net increase in cash for the financial year.



Integrated Development Plan

2013/14

Siyathemba Municipality

- The approved 2013/14 MTREF provide for a further net increase in cash of R12.1 million for the 2013/14 financial year resulting in an overall projected negative cash position of R12.1 million at year end.
- As part of the 2012/13 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.
- In addition the Municipality undertook an extensive debt collection drive resulting in cash receipts on arrear debtors. These interventions translated into an expected net cash position of R12.1million for the 2013/14 financial year and cash and cash equivalents totaled R4.7 million at year end.
- The 2013/14 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
- Cash and cash equivalents totals R12.1 million as at the end of the 2013/14 financial year and deteriorates to R34.4 million by 2015/1.

Table 42 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

NC077 Siyathemba - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	2 542	9 612	(383)	8 960	(3 439)	(3 439)	(3 439)	(23 730)	(30 827)	(34 410)
Other current investments > 90 days		(1 529)	(10 110)	883	(8 959)	(13 783)	(13 783)	(13 783)	1	1	9 822
Non current assets - Investments	1	-	1	250	-	-	-	-	-	-	-
Cash and investments available:		1 013	(498)	750	1	(17 222)	(17 222)	(17 222)	(23 729)	(30 826)	(24 588)
Application of cash and investments											
Unspent conditional transfers		57	-	-	800	775	775	775	6 032	4 852	44 839
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	3 506	4 014	(3 894)	21 600	(38 167)	(38 167)	(38 167)	(42 439)	(53 557)	(104 842)
Other provisions		-	-	-	-	-	-	-	3 420	2 731	2 955
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		3 563	4 014	(3 894)	22 399	(37 392)	(37 392)	(37 392)	(32 987)	(45 973)	(57 048)
Surplus(shortfall)		(2 550)	(4 512)	4 644	(22 398)	20 170	20 170	20 170	9 258	15 148	32 458

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

- The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
- In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
- The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
- Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
- From the table it can be seen that for the period 2009/10 to 2013/14 the surplus escalating to R9.2million in the 2013/2014 financial year. Considering the requirements of section 18 of the



Integrated Development Plan

2013/14

Siyathemba Municipality

MFMA, it can be concluded that the adopted 2013/14 MTREF was funded owing to the significant remaining surplus.

6. As part of the budgeting and planning guidelines that informed the compilation of the 2013/14 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.



Integrated Development Plan

2013/14

Siyathemba Municipality

Table 43 MBRR Table A9 - Asset Management

NC077 Siyathemba - Table A9 Asset Management											
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CAPITAL EXPENDITURE											
Total New Assets		1	-	-	-	-	-	-	23 035	13 658	12 921
Infrastructure - Road transport			-	-	-	-	-	-	4 542	6 500	-
Infrastructure - Electricity			-	-	-	-	-	-	6 635	3 950	3 100
Infrastructure - Water			-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation			-	-	-	-	-	-	11 858	3 208	9 821
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	-	-	-	23 035	13 658	12 921
Community			-	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets			-	-	-	-	-	-	-	-	-
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets		2	-	-	-	-	-	-	23 035	13 658	12 921
Infrastructure - Road transport			-	-	-	-	-	-	4 542	6 500	-
Infrastructure - Electricity			-	-	-	-	-	-	6 635	3 950	3 100
Infrastructure - Water			-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation			-	-	-	-	-	-	11 858	3 208	9 821
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	-	-	-	23 035	13 658	12 921
Community			-	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets			-	-	-	-	-	-	-	-	-
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
Total Capital Expenditure		4	-	-	-	-	-	-	9 083	13 000	-
Infrastructure - Road transport			-	-	-	-	-	-	13 270	7 900	6 200
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Infrastructure - Water			-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation			-	-	-	-	-	-	23 717	6 416	19 642
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	-	-	-	46 070	27 316	25 842
Community			-	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets			-	-	-	-	-	-	-	-	-
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		2	-	-	-	-	-	-	46 070	27 316	25 842
ASSET REGISTER SUMMARY - PPE (WDV)		5									
Infrastructure - Road transport							91 304	91 304	94 298	97 419	97 419
Infrastructure - Electricity							20 397	20 397	19 671	18 893	18 893
Infrastructure - Water							65 534	65 534	62 913	60 107	60 107
Infrastructure - Sanitation							49 029	49 029	53 708	58 633	58 633
Infrastructure - Other							5 344	5 344	5 344	5 344	5 344
Infrastructure			-	-	-	-	231 609	231 609	235 935	240 397	240 397
Community							6 223	6 223	6 061	5 887	5 887
Heritage assets											
Investment properties			-	-	-	-					
Other assets							37 965	37 965	36 441	34 808	34 808
Agricultural Assets			-	-	-	-					
Biological assets			-	-	-	-					
Intangibles			-	-	-	35	35	35	32	31	29
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)		5	-	-	-	35	275 833	275 833	278 468	281 124	281 122
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment		3	150	150	150	5 200	9 707	9 707	10 588	11 105	11 547
Repairs and Maintenance by Asset Class											
Infrastructure - Road transport			-	-	-	-	-	-	-	-	-
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Infrastructure - Water			-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	-	-	-	-	-	-
Community			-	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6, 7	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS			150	150	150	5 200	9 707	9 707	10 588	11 105	11 547
Renewal of Existing Assets as % of total capex			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%	50.0%
Renewal of Existing Assets as % of deprecn"			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	217.6%	123.0%	111.9%
R&M as a % of PPE			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal and R&M as a % of PPE			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	5.0%	5.0%



Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations as the focus of resources is on new Basic service infrastructure and repair and maintenance amounts to 3 per cent.



Integrated Development Plan

2013/14

Siyathemba Municipality

Table 44 MBRR Table A10 - Basic Service Delivery Measurement

NC077 Siyathemba - Table A10 Basic service delivery measurement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets	1									
Water:										
Piped water inside dwelling		2 620	2 621	3 150	3 150	3 150	3 150	3 150	3 150	3 150
Piped water inside yard (but not in dwelling)		2 058	2 058	2 200	2 200	2 200	2 200	2 200	2 200	2 200
Using public tap (at least min.service level)	2	238	238	—	—	—	—	—	—	—
Other water supply (at least min.service level)	4	—	—	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total		4 916	4 917	5 350	5 350	5 350	5 350	5 350	5 350	5 350
Using public tap (< min.service level)	3	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	4	—	—	—	—	—	—	—	—	—
No water supply		—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—
Total number of households	5	4 916	4 917	5 350	5 350	5 350	5 350	5 350	5 350	5 350
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		3 842	4 000	4 100	4 100	4 100	4 100	4 100	4 100	4 100
Flush toilet (with septic tank)		1 298	1 305	1 350	1 350	1 350	1 350	1 350	1 350	1 350
Chemical toilet		—	—	—	—	—	—	—	—	—
Pit toilet (ventilated)		776	776	776	776	776	776	776	776	776
Other toilet provisions (> min.service level)		—	—	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total		5 916	6 081	6 226	6 226	6 226	6 226	6 226	6 226	6 226
Bucket toilet		205	205	205	205	205	205	205	205	205
Other toilet provisions (< min.service level)		—	—	—	—	—	—	—	—	—
No toilet provisions		335	335	335	335	335	335	335	335	335
Below Minimum Service Level sub-total		540	540	540	540	540	540	540	540	540
Total number of households	5	6 456	6 621	6 766	6 766	6 766	6 766	6 766	6 766	6 766
Energy:										
Electricity (at least min.service level)		4 349	4 349	4 349	4 349	4 349	4 349	4 349	4 349	4 349
Electricity - prepaid (min.service level)		397	400	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total		4 746	4 749	4 349	4 349	4 349	4 349	4 349	4 349	4 349
Electricity (< min.service level)		120	233	120	233	233	233	233	233	233
Electricity - prepaid (< min. service level)		—	—	—	—	—	—	—	—	—
Other energy sources		—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total		120	233	120	233	233	233	233	233	233
Total number of households	5	4 866	4 982	4 469	4 582	4 582	4 582	4 582	4 582	4 582
Refuse:										
Removed at least once a week		5 069	5 069	5 000	5 000	5 000	5 000	5 000	5 000	5 000
Minimum Service Level and Above sub-total		5 069	5 069	5 000	5 000	5 000	5 000	5 000	5 000	5 000
Removed less frequently than once a week		—	—	—	—	—	—	—	—	—
Using communal refuse dump		5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069
Using own refuse dump		—	—	—	—	—	—	—	—	—
Other rubbish disposal		—	—	—	—	—	—	—	—	—
No rubbish disposal		—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total		5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069
Total number of households	5	10 138	10 138	10 069	10 069	10 069	10 069	10 069	10 069	10 069
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		—	—	—	2 252	2 252	2 252	2 452	2 452	2 452
Sanitation (free minimum level service)		—	—	—	2 252	2 252	2 252	2 452	2 452	2 452
Electricity/other energy (50kwh per household per month)		—	—	—	2 252	2 252	2 252	2 452	2 452	2 452
Refuse (removed at least once a week)		—	—	—	2 252	2 252	2 252	2 452	2 452	2 452
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		1 143	1 523	1 635	1 950	1 950	1 950	165	248	372
Sanitation (free sanitation service)		583	5 602	1 182	1 500	1 500	1 500	318	477	715
Electricity/other energy (50kwh per household per month)		784	1 142	1 119	1 350	1 350	1 350	2 004	3 007	4 510
Refuse (removed once a week)		—	—	—	—	—	—	140	147	154
Total cost of FBS provided (minimum social package)		2 510	8 267	3 936	4 800	4 800	4 800	2 627	3 878	5 750
Highest level of free service provided										
Property rates (R value threshold)		—	15 000	15 000	15 000	—	—	15 000	15 000	15 000
Water (kilolitres per household per month)		6	6	6	6	—	—	6	6	6
Sanitation (kilolitres per household per month)		—	—	—	—	—	—	—	—	—
Sanitation (Rand per household per month)		115	121	133	165	—	—	317 705	476 558	714 837
Electricity (kwh per household per month)		50	50	50	50	—	—	50	50	50
Refuse (average litres per week)		42	44	47	47	—	—	—	—	—
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		—	—	—	—	—	—	—	—	—
Property rates (other exemptions, reductions and rebates)		—	—	—	—	—	—	—	—	—
Water		1 523	1 540	1 800	2 467	—	—	2 789	2 929	3 075
Sanitation		1 523	1 635	1 950	3 540	—	—	3 812	4 003	4 203
Electricity/other energy		5 602	1 182	1 500	1 806	—	—	2 119	2 225	2 336
Refuse		1 142	1 119	1 350	1 698	—	—	1 677	1 761	1 849
Municipal Housing - rental rebates		—	—	—	—	—	—	—	—	—
Housing - top structure subsidies		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Total revenue cost of free services provided (total social package)	6	9 790	5 476	6 600	9 511	—	—	10 398	10 918	11 464

Explanatory notes to Table A10 - Basic Service Delivery Measurement



1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs:
 - a. Water services – backlog is very small and will be eradicated as soon as a provincial Housing project is completed in three years' time. These households are largely found in 'reception areas' and will need to be moved to formal areas so that they can receive services.
 - b. Sanitation services – backlog is very small and will be eradicated as soon as a provincial Housing project is completed in three years' time.
 - c. Electricity services – backlog will be eradicated over the MTREF. As indicated elsewhere, the emphasis in the electricity sector is on addressing urgent network upgrades.
 - d. Refuse services – backlog does not exist at this stage.
3. The budget provides for 2452 households to be registered as indigent in 2013/14, and therefore entitled to receiving Free Basic Services. The number is set to increase to 3782 households given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.
4. It is anticipated that these Free Basic Services will cost the municipality R10.3 million in 2013/14 increasing to R11.4 million in 2015/16. This is covered by the municipality's equitable share allocation from national government.

5.7.1 POLICIES

The status of Policies is as follows:³¹

Table 45: Policies

Policy	Status
Tariff Policy	A draft Tariff Policy is available. The Municipality aims to finalise the Policy by the end of May 2012. There is however concept tariffs structure available for the 2012/13 financial year.
Rates Policy	The Municipality has a Rates Policy in place.
Supply Chain Policy	The Municipality has a Supply Chain Policy in place.

Each year, the Municipality revises the tariffs and rates according to the latest legislation. For example, Circular 58 from National Treasury provided guidelines to the Municipalities on the increase of tariffs for the coming financial year. Siyathemba Municipality increased the tariffs with a higher percentage as was referred to in this Circular. The Municipality had to do this in order to better their position with regards to financial viability. The proposed tariffs and rates are communicated to the communities during the IDP, and SDBip Public Participation Process.

³¹ Interview with Mr Nieuwenhuis on 25 April 2012



The Municipality is busy with the General Valuation Roll and funds from the Financial Management Grant and the Municipal Systems Improvement Grant will be utilised for this purpose.

The jurisdiction area of Siyathemba Municipality increased when the District Management Area was allocated to Local Municipalities. The rates and taxes paid by the farms differ from the rates and taxes paid by the farmers previously part of the Municipality. The Rates and Tariff Policies and Structures still have to be negotiated with the “new farmers”.

Since the municipality does not render any services on the farms, they give 30% discount to the farmers with regards to rates and taxes.

5.7.2 FINANCIAL SOURCES

The 7 year MTEF schedule is indicated in the tables above.

5.7.3 STAFFING OF THE FINANCE AND SCM UNITS

Most of the positions in the financial division on the current Organogram of the Municipality are filled. One of the positions (Cashier) was filled during April and currently there are only 2 posts vacant - one for an Intern and one Data Clerk.

The current structure of this Division (Organogram) does however not support the work which the Division needs to perform and is not in line with latest legislation. Some of the critical aspects which are not addressed on the current Organogram, is for example the Supply Chain Unit. No provision was made for such a Unit. The Chief Financial Officer also requested a person responsible for Risk Management and Asset Management. As indicated under Section 6.3 Institutional Development and Transformation, the Municipality is in the process to review their Organogram.

Although there is no Supply Chain Unit, the Municipality did establish an Evaluation and an Adjudication Committee to take responsibility for the tender processes. There is however no Specifications Committee in place.

5.7.4 PAYMENT OF CREDITORS

The Municipal Finance Management Act stipulates that a Municipality needs to pay creditors within 30 days. The Municipality is currently not in the position to do this. According to Mr Nieuwenhuisen, the status with regards to payment of creditors are as follows:

- ✂ The Municipality succeeds to pay creditors within 30 days on capital projects.
- ✂ With regards to operational costs, the Municipality's cash flow and financial position is not in such a condition that payments can be made within 30 days. They prioritize the payment of local suppliers, as well as key clients/suppliers.
- ✂ On average, the CFO indicates that they pay creditors on an average of 70 days.

During this financial year, the Municipality started to implement a new Creditors System. They generate an Order for any expenses which is envisaged and payments are then made according to



this Order. This System has made a positive contribution towards the management of payment of creditors.

5.7.5 FINANCIAL MANAGEMENT SYSTEMS

The Municipality is making use of the Sebata Financial Management System. This is a fully integrated Municipal Financial Management System. It consists of a minimum of 12 standard Modules, designed to be fully integrated, providing comprehensive and holistic municipal financial management functionality. The System is designed to run in small, medium and large Municipalities and has the built in flexibility to run diverse methods of financial management. Sebata FMS conforms to various municipal accounting practices and reporting standards such as GAMAP, GRAP, SA National Government Statistics and SALGA.

Siyathemba Municipality is however not in the position to make use of all the functionalities of the System.

5.7.6 AUDIT GENERAL FINDINGS

Siyathemba Municipality submits there Annual report and Annual financial statements to National Treasury on an annual basis. As from The Auditor General with held an opinion on the financial statements and issued a disclaimer.

5.7.7 CHALLENGES

1. The municipality is currently not financial viable. This is mainly due to low cost recovery, the structure of the tariffs for services, revenue collection, etc. The municipality is in need of a proper financial viability study which can describe the status quo and develop recommendations to turn around the financial situation of the municipality.
2. The financial division can currently not fulfil their role as required in the municipality since the structure of the financial division is not correct. The revised organogram needs to be approved and implemented to address this challenge.
3. For the past number of years, the municipality is not in the position to obtain a clean audit.
4. The municipality succeeded in compiling asset register on immovable assets. Conditional assessments were also done as part of this exercise. The municipality must also now implement phase 2 of this programme.



5.8 LOCAL ECONOMIC DEVELOPMENT

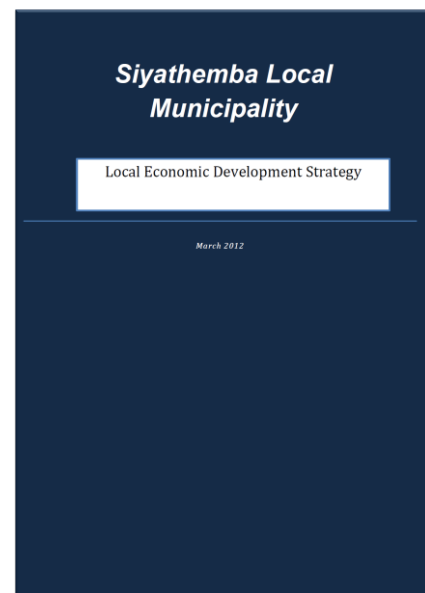
Strategic Objective	Create an Environment that Promotes the Development of the Local Economy and Facilitate Job Creation
Intended Outcome	Improved Municipal Economic Viability

5.8.1 LOCAL ECONOMIC DEVELOPMENT STRATEGY

Local Economic Development (LED) is an approach to sustainable economic development that encourages residents of local communities to work together to stimulate local economic activity that will result in, inter alia, an improvement in the quality of life for all in the local community.

The Department of Economic Development and Tourism in the Northern Cape has recently concluded the development of its Provincial LED Strategy in line with the Northern Cape Growth and Development Strategy. These Strategies provide the foundation for Integrated Economic Development Planning throughout the Northern Cape. To provide the necessary implementation impetus at the local level, the Siyathemba Local Municipality embarked on a process of developing its own LED Strategy in line with provincial planning imperatives.

This Strategy is still a Draft Version and needs to be approved by Council.



5.8.2 UNEMPLOYMENT RATE

In the LED Strategy, Quantec Research 2012 data was used. It is indicated that the Unemployment rate for Siyathemba Municipality during 2009 was 34.7%. The table below indicates other relevant percentages with regards to the labour force.

Table 46: Regional Employment Indicators

Labour Indicators	South Africa		Northern Cape		Pixley Ka Seme DM		Siyathemba LM	
	2000	2009	2000	2009	2000	2009	2000	2009
Labour force ('000)	11,502	12,261	245	272	44	41	5	5
Unemployment rate (%)	30.2	25.1	27.0	27.6	27.7	33.0	26.8	34.7
Labour force participation rate (%)	61.1	52.0	52.5	53.3	54.0	53.6	53.2	57.4
Highly Skilled Workers	12.3%	12.7%	10.7%	11.7%	9.4%	10.9%	9.3%	10.4%
Skilled Workers	39.3%	42.7%	35.4%	39.7%	34.3%	38.6%	34.9%	37.8%
Semi- and unskilled workers	48.4%	44.5%	53.8%	48.6%	56.3%	50.6%	55.8%	51.8%

Source: Quantec Research, 2012
From this table, the following observations were made:



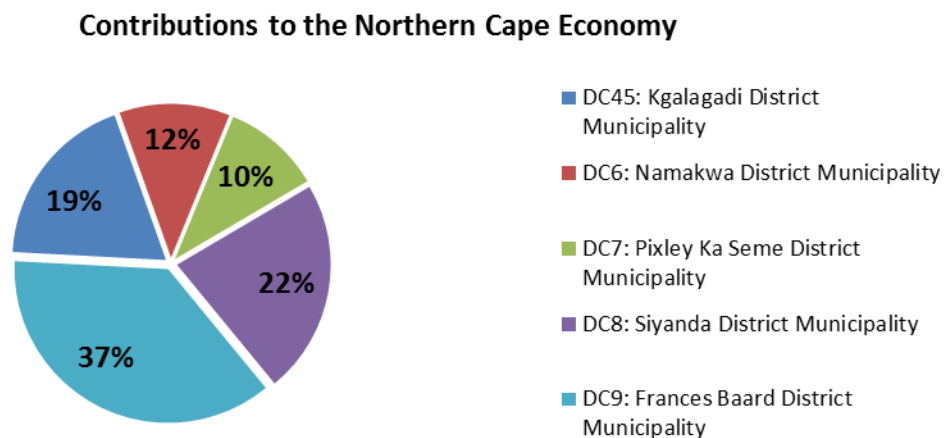
- ✂ While the number of jobs increased in South Africa, as well as the Northern Cape and Pixley Ka Seme between 2000 and 2009, it declined in Siyathemba.
- ✂ During 2009, the unemployment rate for Siyathemba was estimated at some 34.7%, which was slightly higher than the District Average. The unemployment rate has steadily increased in Siyathemba over the past decade.
- ✂ The labour force participation rate indicates the portion of working-age adults who are employed and those actively seeking employment. Since 2000, the portion of such adults increased from 53.2% to 57.4%.
- ✂ Compared to the other Regions under observation, a small portion of workers (10.3%) in Siyathemba can be classified as highly skilled. In fact, more than 52% of workers can be regarded as semi- or unskilled workers.

5.8.3 ECONOMIC PROFILE

5.8.3.1 Economy of the Northern Cape Province and Pixley ka Seme district

The Northern Cape Province is divided into five Districts and each District contributes to the economy of the Province. The Pixley ka Seme District is the poorest contributor, contributing 10%. Frances Baard is the biggest contributor at 36%.

Figure 11: District Contributions to the Province in Percentage - 2005³²



In Rands and cents, the district contributions to the economy of the Province are as follows.

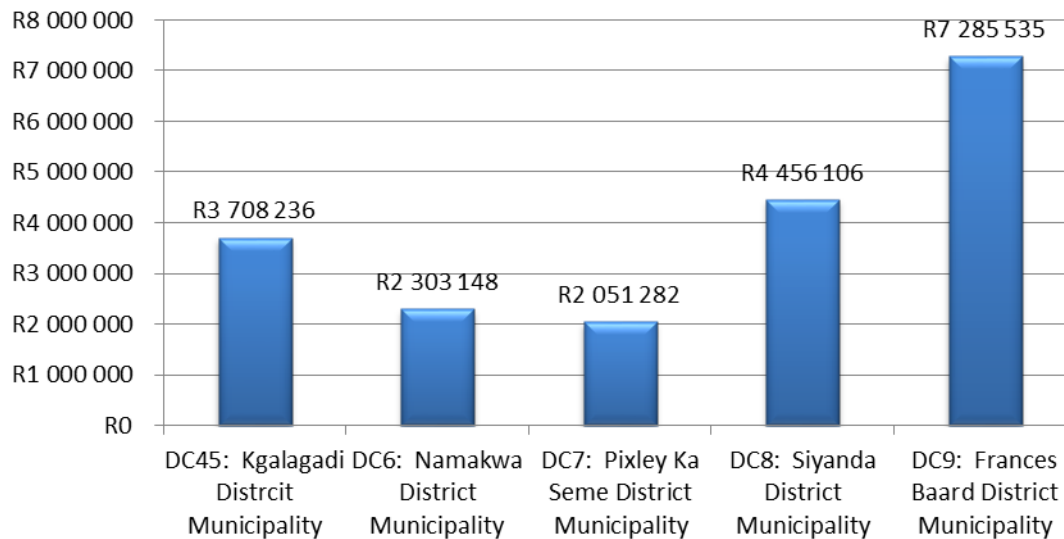
Figure 12: District Contributions in Rands and Cents - 2005³³

³² Economic Data. Provided by DBSA. File received 14 March 2008.

³³ Economic Data. Provided by DBSA. File received 14 March 2008.



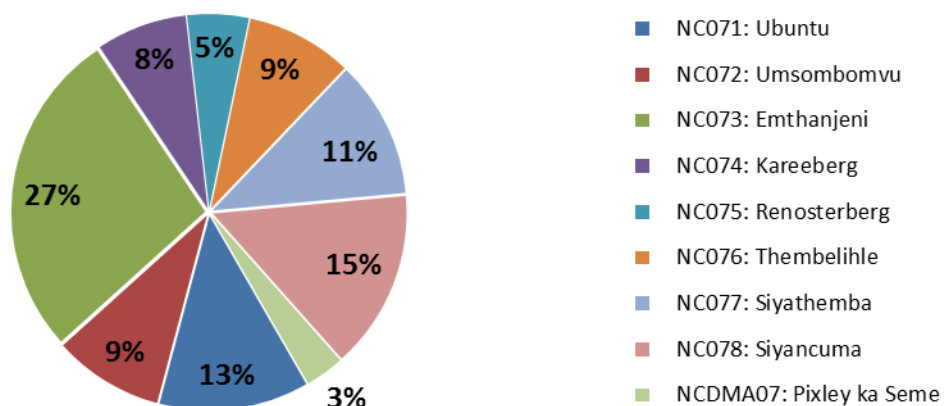
District Contributions in Rands and Cents



The district economy is also dependent on the contributions of the local economies and in the Pixley ka Seme District, the biggest local contributor is Emthanjeni Local Municipality at 27%, followed by Siyancuma Local Municipality (15%), Ubuntu Local Municipality (13%) and Siyathemba Local Municipality (11%).

Figure 13: Local Contributions to the Economy of the District – 2005

Contributions to the Pixley ka Seme Economy 2005 Stats Constant Prices





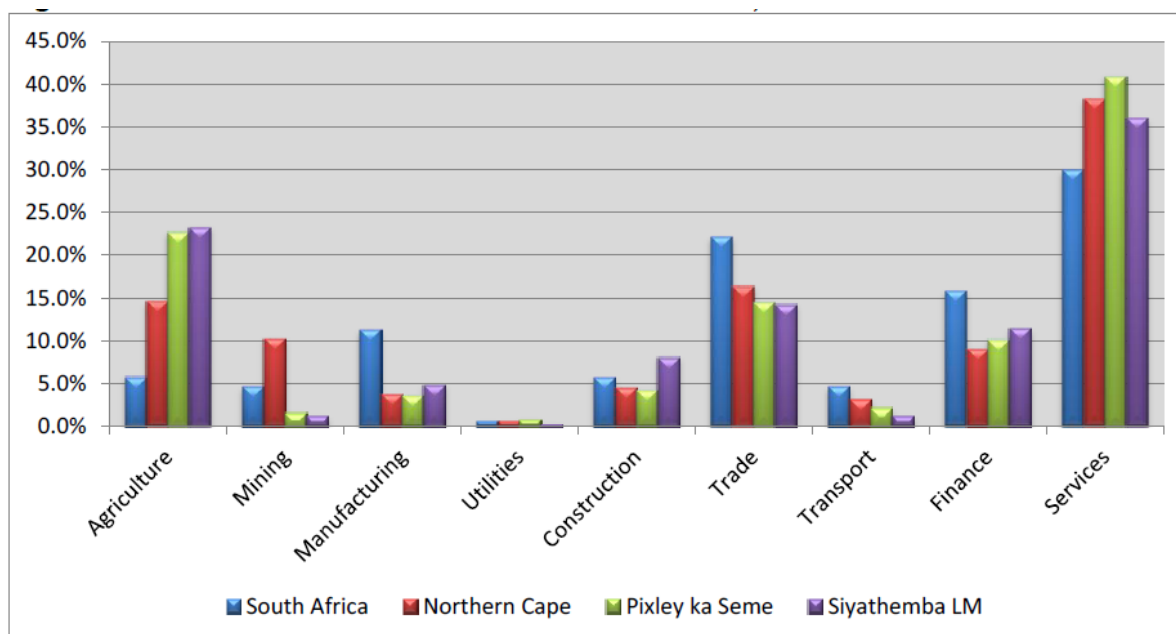
5.8.3.2 Sector Contributions to the Economy

The information in this sub section of the Report was taken directly from the LED Strategy from the Municipality. It provides an analysis of the local economy in the context of the National, Provincial, and District Environment.

a. Labour Profile Overview

The 2010 sectoral distribution of the labour force in South Africa, the Northern Cape, Pixley ka Seme and Siyathemba is illustrated in the figure below. From this Profile, it is evident that most workers in Siyathemba are employed in the Government Services Sector (around 1,700 workers), followed by Agriculture (about 1,100 workers) and the Trade (about 670 workers) sectors.

Figure 14: Sectoral distribution of the Labour Force



Source: Quantec Research, 2012

Figure 14 provides a closer comparison between the sectoral labour profiles of Pixley ka Seme and Siyathemba. When compared to the District, it can be observed that the labour force of Siyathemba is highly concentrated in the Services Sector, while the other Regions under observation have a more balanced labour distribution.

Local and Regional Trends in total employment are depicted by Figure 15. From this Figure, it is clear that total employment in Siyathemba has been in fluctuating over the last ten years. Moreover, employment in the Study Area declined marginally from some 4,800 jobs during 2000 to just below 4,700 in 2010. Over a ten-year period, this could be translated to an average annual decline of 0.2%. Over the same period, employment in Pixley ka Seme declined by 1.3% on average per annum, while that of the Northern Cape and South Africa increased by 0.9% and 0.5% respectively.

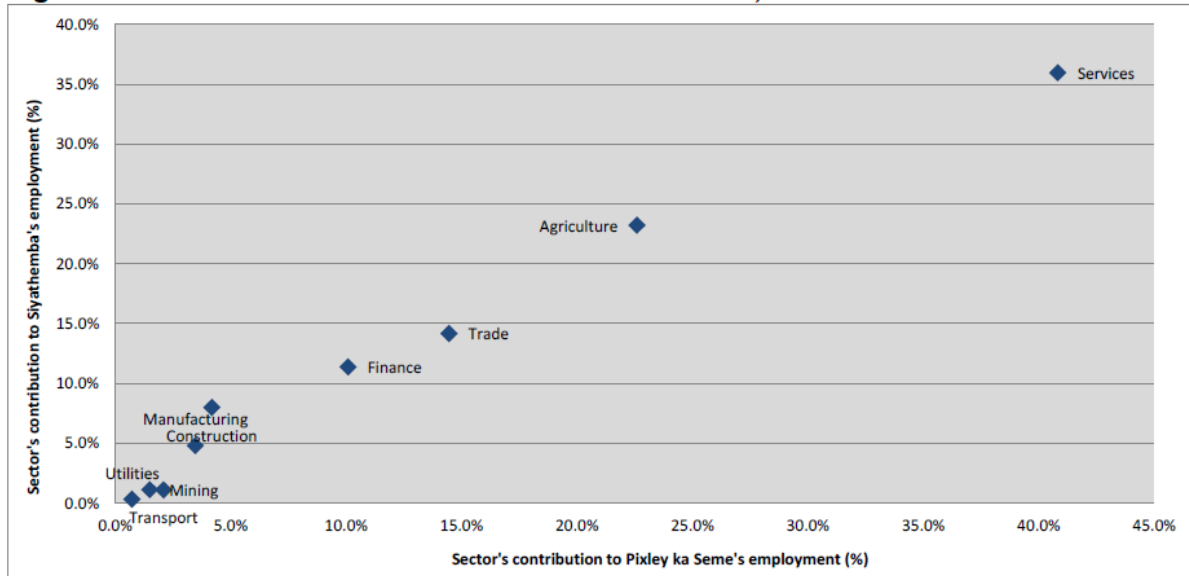


Integrated Development Plan

2013/14

Siyathemba Municipality

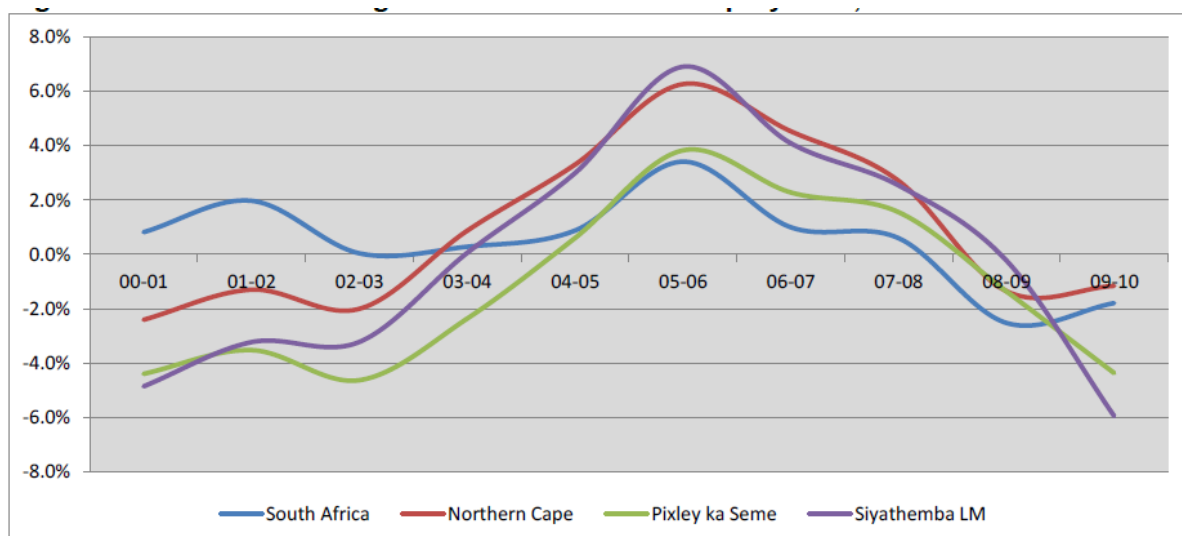
Figure 15: Sectoral distribution of the Labour Force



Source: Quantec Research, 2012

It is also observed that local employment trends are not well-integrated with that of the larger Region, which could be attributed to the concentrated nature (in the Agriculture sector) of the local economy. In contrast, employment trends in Pixley ka Seme, the Northern Cape and South Africa follow growth profiles that are better correlated due to higher levels of diversity in these economies. The threat presented by employment vulnerability and its socio-economic implications for local communities in Siyathemba cannot be emphasised enough.

Figure 16: Local and Regional Trends in Total Employment 2011



Source: Quantec Research, 2012



Employment growth is broken down by sector in Table 24. From this Table, it is evident that employment in the Mining Sector (-7.9% p.a.) has been in steep decline over the past decade, followed by Transport (-5.3%) and Agriculture (-4.9%).

Table 47: Average Annual Employment Growth by Sector, 2000-2010

Sector	South Africa	Northern Cape	Pixley Ka Seme DM	Siyathemba LM
Agriculture	-7.3%	-5.5%	-6.2%	-4.9%
Mining	2.8%	3.9%	0.5%	-7.9%
Manufacturing	-1.2%	-3.2%	-2.4%	4.1%
Utilities	1.1%	2.5%	1.8%	-2.0%
Construction	0.1%	-0.3%	-3.4%	1.5%
Trade	1.1%	2.2%	-0.5%	-1.2%
Transport	2.1%	3.1%	-2.1%	-5.3%
Finance	2.6%	5.3%	7.6%	6.6%
Services	1.6%	3.1%	1.4%	3.2%
Total	0.5%	0.9%	-1.3%	-0.2%

Source: Quantec Research, 2012

When these employment trends are compared with those observed for GDP, it is noted that total employment declined over the past decade (by 2.5% p.a.) while the economy grew by 2.0% per annum in GDP terms. This phenomenon is referred to as “jobless growth” which implies that local economy is becoming less labour intensive and more capital intensive.

5.8.4 POTENTIAL SECTORS³⁴

5.8.4.1 Agriculture Sector

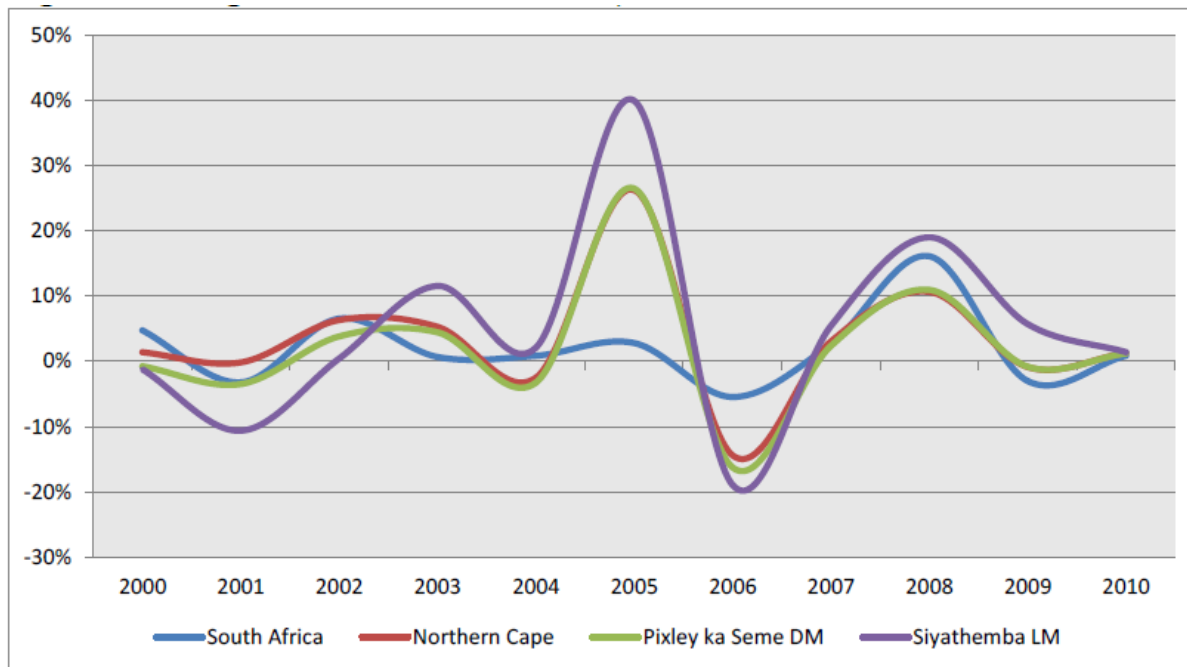
The Orange River runs through the Municipality and provides ideal conditions for irrigation farming in Siyathemba, especially the cultivation of grains and vegetables. The main livestock farming in the Region includes cattle, sheep and goat farming. Game farming also takes place in the area and aids in the development of tourism and hunting activities.

The figure below indicates the Agricultural Production Growth of Siyathemba from 2000 to 2010, compared with the District, the Province and South Africa. It is apparent that Siyathemba follows a similar production trend to that of Pixley ka Seme and the Northern Cape Province. The Region experienced extensive agricultural growth from 2006 to 2008.

³⁴ LED Strategy, March 2012



Figure 17: Agriculture Sector Growth



Development Potential

- ✂ Crop farming could be significantly expanded if market demand could be improved. This is especially relevant for irrigated production along the Orange River.
- ✂ Hydroponic production may be well-suited to the area, due to the warm climate (i.e. energy cost saving for hydroponic projects) and available water.
- ✂ Sheep farming could be expanded and beneficiated locally.
- ✂ The local beneficiation of crops can provide valuable local revenue.
- ✂ Electricity shortages could be alleviated through local production. This could justify investment in a local solar power plant.
- ✂ The agricultural sector should be diversified to include higher value products such as essential oils.
- ✂ A poultry and broiler project could be implemented as part of an Emerging Farmer Support Programme.
- ✂ A piggery project could be introduced as part of an Emerging Farmer Support Programme.
- ✂ Game farming in the area could be expanded to bolster the production of meat. This could then be linked to investment in a local abattoir.
- ✂ There should be a greater focus on agriculture in Schools to change the perception of young people that farm work is not “prestigious”. It should be instilled that it is better to work on a farm than being unemployed.
- ✂ Early Childhood Development Programmes should be made available to farm workers (on farms).



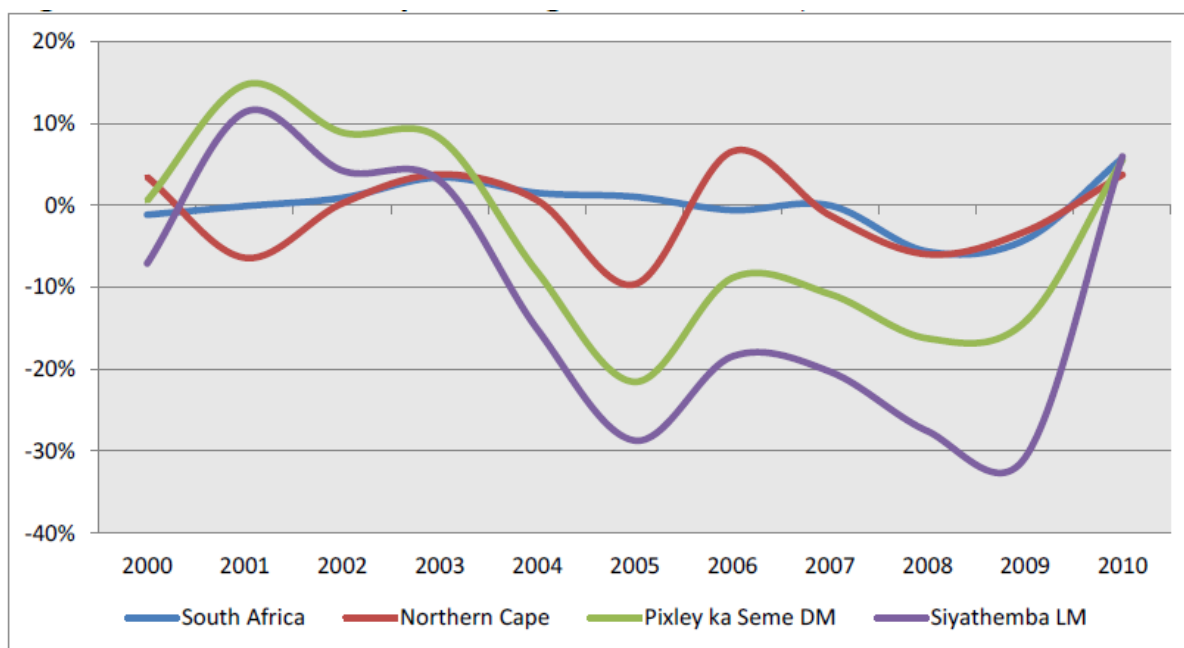
- ✂ An Agricultural School or College should be developed in the municipal area to foster skills development in the agricultural sector and retain these skills within the local economy.

5.8.4.2 Mining

The main deposits in Siyathemba include possible alluvial diamond mining along the Orange River, various semi-precious stones, such as tiger-eye and zinc deposits. The Region also has various salt pans for the potential of salt production.

The Figure below indicates the Mining Production Growth of Siyathemba from 2000 to 2010, compared with the District, the Province and South Africa. It is evident that Siyathemba follows a slightly lower production trend to that of the Pixley ka Seme District's mining sector from 2000 to 2010.

Figure 18: Mining Sector Growth



Development Potential

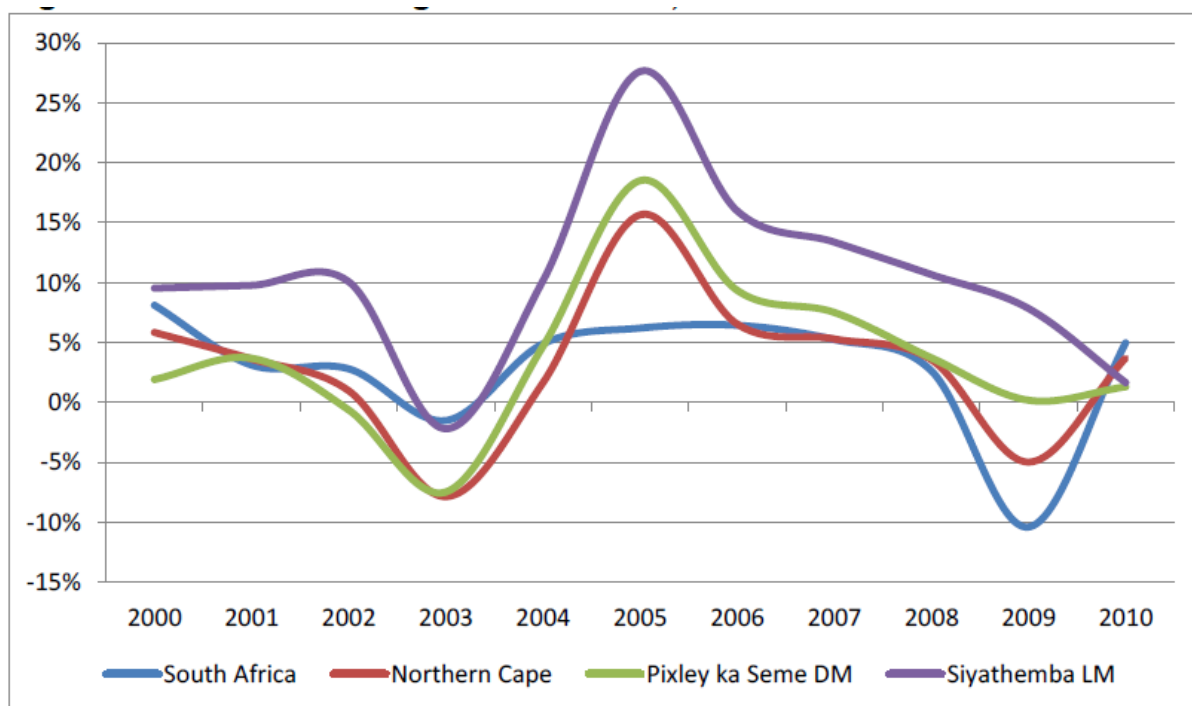
- ✂ Semi-precious stones should be commercially mined and locally beneficiated.
- ✂ Building sand and clay could be mined throughout the area, especially along the Orange River.
- ✂ Locally extracted clay could be used for manufacturing building bricks.
- ✂ A local gemstone beneficiation plant can be refurbished and engaged in production again. This plant could be used to cut and polish locally mined semi-precious stones.
- ✂ The production and packaging of table salt and salt products is a viable option to gain valuable sources of revenue.



5.8.4.3 Manufacturing

Agro-processing is the main Manufacturing activity in Siyathemba, which consists of the production of various plant and meat products. Figure 3.5 indicates the Manufacturing Production Growth of Siyathemba from 2000 to 2010 as compared with the District, the Province and South Africa. From the Figure below, it is evident that Siyathemba follows a relatively higher production trend to that of the Pixley ka Seme District's manufacturing sector, except for a decline post-2009.

Figure 19: Manufacturing Sector Growth



Development Potential

- ✂ The opportunity exists to establish an agro-processing plant in Prieska, thereby benefiting produce from the agriculture sector.
- ✂ Investment in a local recycling plant (paper, plastic and glass) provides a good opportunity to expand job creation.
- ✂ The implementation of Training and Skills Development Programmes in local communities (focused on the youth).
- ✂ The local production of solar panels that could supply the Utilities Sector of the Northern Cape.
- ✂ The production of local Arts & Crafts (such as bead work) for the tourism market will provide much needed revenue to the area.
- ✂ Investment in a local leather tannery, cotton gin, game abattoir and a chicken broiler house will provide opportunities for beneficiation of agricultural produce.

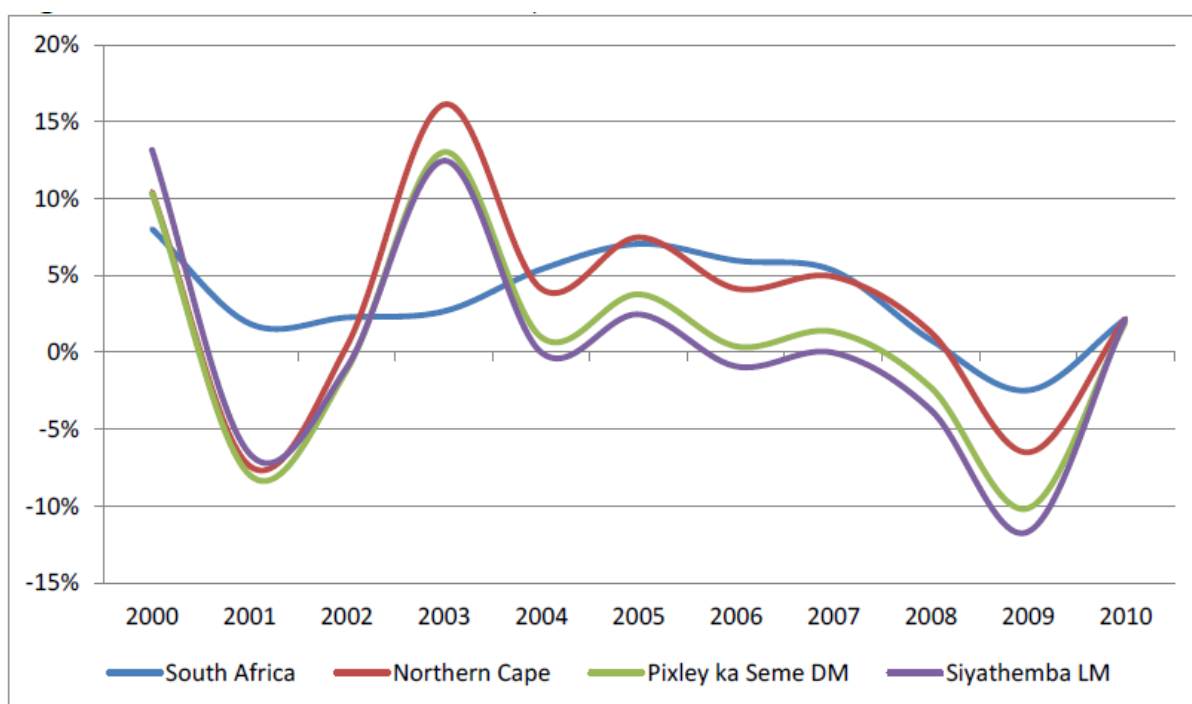


- 7. Investment in a construction equipment plant will expand manufacturing opportunities, as well as provide for skills development in the area.

5.8.4.4 Retail and Wholesale

The Figure below indicates the Wholesale and Retail Trade Sector Production Growth of Siyathemba from 2000 to 2010, compared with the District, the Province and South Africa. It is apparent that Siyathemba experienced a slightly lower production trend to that of the Pixley ka Seme District's Trade sector, however the sector showed positive growth in 2010.

Figure 20: Trade Sector Growth



Development Potential

- There may be opportunities to invest in a new small grocery shop and restaurant in Prieska.
- Railway infrastructure should be restored and placed back into operation to reduce the cost of bulk transport.
- Training and registration assistance should be provided to construction workers. This initiative must be aimed at placing these workers in a position where they can operate their own businesses and tender for government contracts.
- Entrepreneurship Training and Development Programmes should be implemented in local communities to facilitate the development of SMMEs.

5.8.4.5 Tourism

The town of Prieska is located on the south bank of the Orange River at the foot of the Doringberg. It was originally named Prieskap, a Khoisan word meaning „lace of the lost she-goat“. The site of



the town, founded in 1882 and renowned for its semiprecious stones, was a fording place used by early travellers.

The following are the main tourism attractions in the Region:

- ✂ 1. Die Bos Nature Reserve
- ✂ 2. British Fort
- ✂ 3. Green Valley Nuts
- ✂ 4. The Oranjezicht and The “Keikamspoort Hiking Trails
- ✂ 5. Khoisan Rock Art
- ✂ 6. Memorial Garden
- ✂ 7. Prieska Museum
- ✂ 8. Ria Huysamen Aloe Garden
- ✂ 9. Schumann Rock Collection
- ✂ 10. Wonderdraai Island

Development Potential

- ✂ Resort and adventure tourism along the Orange River will result in enticing tourists to explore the Region for longer and staying for lengthier periods of time.
- ✂ The “Die Bos” area could be developed into a tourism resort with associated adventure tourism activities, such as water sports and hiking.
- ✂ Expanding the game tourism and hunting industry can enhance the eco-tourism profile of the Region.
- ✂ Mineral processing tourism can become an inviting prospect for visitors. If the old gemstone processing plant can be renovated, it could also become a popular tourist destination.
- ✂ A local attraction known as “Die Koppie” could facilitate local festivals.
- ✂ The area should develop a unique tourism brand of its own and marketed on various platforms.
- ✂ Investment in a new casino near Prieska may attract travelers from all over.
- ✂ The re-routing of the N10 highway through Prieska will provide tourists the opportunity to appreciate the town and view it as a stop-over or destination on its own.



5.8.5 JOB CREATION AND ANCHOR DEVELOPMENT INITIATIVES BY THE LM

5.8.5.1 Local Economic Development Key projects

a. The Bos Development

The turn-around and rejuvenation of the “Die Bos” Holiday Resort in Prieska have been identified by the Siyathemba Municipality as a priority project for tourism development in the Northern Cape Province. This is an important development initiative to the Municipality as one of its mandates to utilise our municipal assets as a catalyst for economic development and growth.

The focus of this development initiative includes four different properties which border each other. All four properties are situated in the town of Prieska. These entail areas like [1] Die Bos Holiday Resort situated on the bank of the Orange River, [2] Prieska Golf Course, [3] Die Koppie Nature Garden, and the [4] the Municipal Settling Ponds. For the purpose of the feasibility study, the four properties should be viewed as one entity to be considered for further development. All four properties belong to the Siyathemba Municipality.



The Siyathemba Municipality believes that additional and large projects like the international SKA, the Renewable Energy boom (Solar Park and IPP's) that's coming; a potential Industrial Zone Development and new Secondary Industry Development projects will have a major boost on the proposed “Die Bos” development project.

A new Feasibility Study Objective will be to:

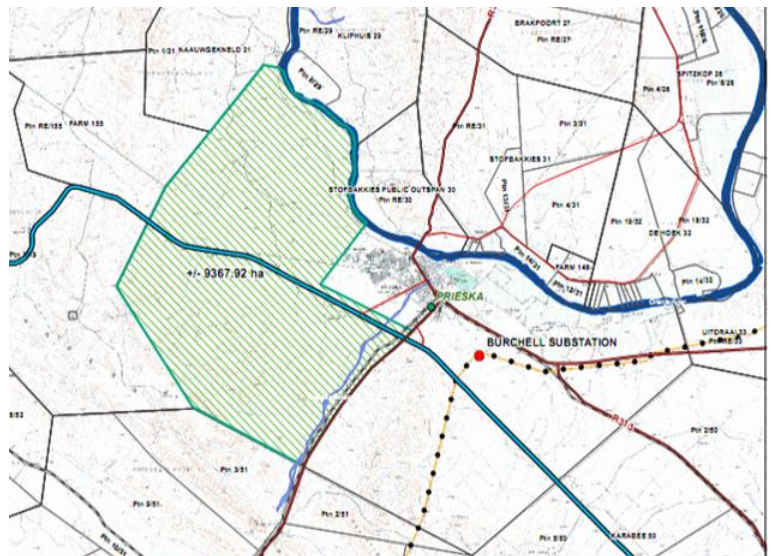
- Consider the initial feasibility study findings and analysis the original business impressions.
- Determine the market demand and advice the Municipality on Innovative and Commercial foci like an integrated golf estate development combined with business that can draw huge numbers; e.g. a casino, etc.
- Identify additional and stimulating segments to ensure the commercial success of the project.
- Propose creative but sustainable cultural and arcade improvement initiatives to the benefit of both the municipality, the public at large and the business communities.
- Develop practical ways to develop and upgrade, refurbish, rehabilitate, and to maintain the existing facilities.



- Propose optimal consideration and enhancement of fauna, flora and aquatic features; like constructing a weir in the Orange River to enhance the landscape, suggested commerce and nature preserve.
- Propose a vibrant marketing tool as branding medium for both the resort and the municipality.
- Propose an integrated development approach taking into consideration the new and upcoming developments.
- Consider the provincial and national tourism strategies and trends.
- Compilation of locality Maps and Artists Impression.
- Propose an appropriate management, maintenance and operational model for the resort to ensure sustainability.
- Ensure public buy-in and create jobs and business opportunities for the local community.

b. Solar Energy Project

The Siyathemba LM identified Alternative Energy Development as an Anchor economic activity. The Siyathemba Council signed an MOU with the Department of Energy for a 5 000ha of Commonage Land to develop a Prieska Solar Park to initially generate 1 GW of Solar Energy into the Eskom Grid with the possible expansion if the space permits utilising variety of technologies. The “**Proposed Land**” has to be identified from Erf 01 in Prieska and/or alternatively on Erf 260 in Marydale on the communal Land. Council permitted



the Mayor and the then Acting Municipal Manager to **Sign the MOU** and then to conclude with a complementary round of Community Participation with the Minister as it were on the 20th of October 2012. It is also necessary to note that the Council also declared its municipal area as a **Nodal Point** for growth to participate and develop in the proposed Solar Park and Secondary Stream Developments to enhance poverty and unemployment reduction. The studies for this proposed Solar Park has started and should the Steering Committees be ready with a Draft Concept by August 2013.

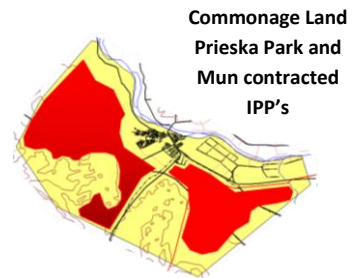


Integrated Development Plan

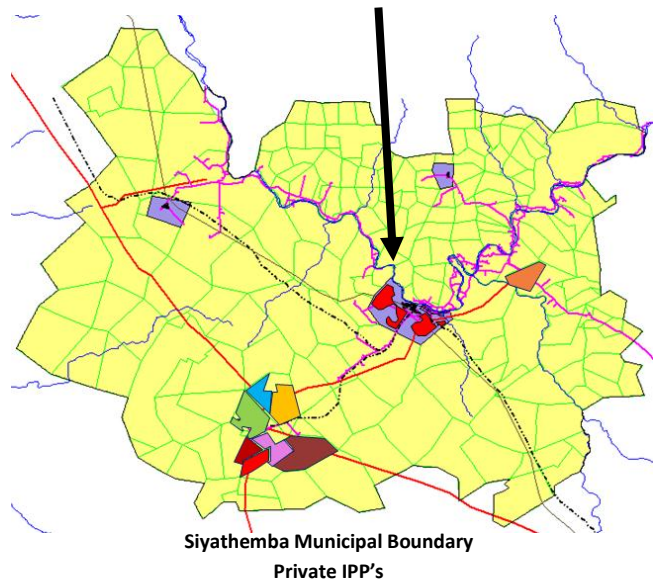
2013/14

Siyathemba Municipality

Before Council signed an agreement with the DoE to develop a Prieska Solar Park Council already contracted three Solar Investors. These IPP Contractors are Chamerall Property Development, Khweza Powers and Maxwell Moss and Associates for 1095, 60 and 363 ha's consecutively. All four contracts add up to 6 518Ha of Commonage land. MMA is the only company with an optional PPA Contract.



Their contracts provides for an interim rental fee whilst they applying for their permits with a permanent rental fee once the permits get issued. Council later agreed to sign Amendments to their Lease Agreements in order to bring their Contracts in line with expectations as requested by the Nersa and Eskom PPA application requirements. We also allowed them to register those agreements against our Title Deed with the office of the Surveyor General and we gave them permission to sub-lease for financial security with their Investors.



Besides the four Municipal Contracts keen interest is shown by Independent Power Producers (IPP) between the Prieska and Copperton areas on private land to the extent of 1.18GW, Mulilo is the first company who has been allocated a permit for 19.5MW during the second bidding phase. The rest of the IPP Contractors are preparing themselves for bidding in the third and fourth rounds.

Herewith a list of all interested Companies:

Company	Farm	Technology
Mainstream	Mierdam 1	PV
	Mierdam 2	Wind
	Platsjambok 1	PV
	Platsjambok 2	Wind
Mulilo	Vogelstruisbult	PV
	Hoekplaas	PV
	Klipgats	PV
Juwi	Nelspoortjie	Wind
Jouren	Holsloot	PV
Dept of Energy	Siyathemba Mun	Mix
Chamerall Prop Dev	Siyathemba Mun	PV



Integrated Development Plan

2013/14

Siyathemba Municipality

Maxwell Moss and Associates	Siyathemba Mun	PV
Khweza Power	Siyathemba Mun	PV
Plan 8	ModderPan	PV
2 180 MW		

Regular consultation at Council Imbizo's and Ward Committee meetings is taking place to inform and prepare the communities about these developments. Discussions and negotiations around the required Solar Development Trusts are underway. The entire project will entail a Solar Park and almost 8 to 12 IPP Power Producers. Our Municipality can only negotiated for the compulsory social and labor arrangement as well as for the employment and smme opportunities with them.

The Municipal Council are in discussions with a number of Companies because of the latter developments to lease land for manufacturing, agricultural, mining, housing and tourism related developments as part of our Secondary Industry Development plans.

These initiatives propel the Council to urgently look at enhancing our own technical capacity and strategic planning like;

- Spatial Development Framework
- Roads, works and storm water master planning
- Water and Sanitation master plan
- Electricity and Energy Infrastructure and Distribution
- Civil Engineering and Design
- IT Hub and Technology Development
- Physical and Cyber Security Planning

The following are pressing challenges in pursuit of our developmental goals;

- Non-disclosure of bidding information by IPP contractors
- Lack of regulations in relation to leases and wages
- Absence of a single coherent approach to the question of community benefit (Community Trusts)
- Slow Eskom Grid development can delay the implementation of national targets
- Historical infrastructural backlog
- Ailing electricity network
- Two thirds of household electricity supply serviced by Eskom in Municipal areas
- Low Skills shortages and Literacy Levels
- Absence of disaster management unit
- Huge housing backlog
- High unemployment
- HIV / AIDS and TB
- Asbestoses
- Sanitation with Water Distribution Challenges
- Limited Municipal resources
- Absence of strategic planning
- Engineering Surveys and Strategic Planning Capacity



Opportunities

- Renewable Energy Development
- A Single and all-encompassing Trust for all IPP Contractors
- Siyathemba a Gateway to SKA opportunities
- Underutilised prime agricultural land and Agro processing
- Sufficient water with rights and water extraction abilities
- Untapped Mining Development and Value adding
- Secondary Industry Development opportunities
- Aquaculture
- Sufficient land for multi Industry development
- Enterprise Development
- Tourism Development
- Sound economic development plan
- Enhance local community economic development benefit
- Require planning capacity development
- Infrastructure Development
- Training - The Siyathemba Municipality have appointed a serves provider to pursue and implement its Siyathemba Integrated Education and Skills Development Initiative (SIESDi).

c. Aqua – Commercial Fish Farming Project by the DTi

The DTI and Pixley Ka Seme DM intend to put up Fish Dams for Fish Farming purposes on the Orange River. Aqua Eco have subsequently developed a feasibility study for the DTi on behalf of the Pixley Ka Seme DM and their findings suggest Prieska should be the site for the pilot project. This study included all the municipalities on the banks of the Orange River. The Siyathemba Municipality was identified as ideal for the pilot project provided.

A feasibility study prepared by AquaEco guided the DTI and the Pixley Ka Seme District Municipality on whether it is economically viable to establish a pilot aquaculture enterprise in Prieska. The study determines fish species/crops that could be farmed in these areas and the associated market feasibility. Prieska based on the outcome of the feasibility studies on certain parts of the Orange River and on the wastewater treatment plants within the municipal jurisdiction of the Pixley ka Seme District Municipality is deemed favourable, a complimentary business plans will be compiled.

The objectives of the assessment were:

- To determine whether it is feasible to set up a community based aquaculture enterprise in Prieska.
- To investigate the possibility of including hydroponics farming linked to the aquaculture enterprise.
- To determine the kind of fish species that will be suitable for the areas given the Northern Cape climate.
- To advise on the kind of crops that could be planted in association with the fish farming activities
- To identify the best possible form of a business model that should be used in the implementation of such an enterprise
- To develop a business plan or make recommendations to investigate other enterprise possibilities.



d. SKA Strategic position outside the Demarcated Area

The SKA will be a revolutionary radio telescope made of thousands of receivers linked together across an area the size of a continent. The total collecting area of all the SKA receivers combined will be approximately one square kilometer, making the SKA the largest and most sensitive radio telescope ever built. South Africa has submitted a bid to host the €1.5-billion Square Kilometer Array (SKA). South Africa, allied with eight other African countries, is competing against Australia (allied with New Zealand) to host the SKA, an instrument 50-100 times more sensitive and 10 000 times faster than any radio imaging telescope yet built.



The SKA will give astronomers insight into the formation and evolution of the first stars and galaxies after the Big Bang, the role of cosmic magnetism, the nature of gravity and possibly life beyond Earth. If history is any guide, the SKA will make many more discoveries than we can imagine today.

Industry participation with the SKA offers the potential for involvement across a range of engineering and computing disciplines. The SKA expects to collaborate with a variety of industry partners, including niche R&D companies, followed by increasing engagement through commercial contracts with high-volume manufacturers, technology

Industry participation with the SKA offers



systems vendors, site services and installation firms, and power and data transmission specialists. Industry will play a crucial role in the delivery and through - life support of the SKA technologies and infrastructure. The scale of the SKA, and the need to mass produce components, requires industry engagement on a scale unprecedented in radio astronomy. The



involvement of organizations with experience and expertise in delivering demanding technological specifications within a production cost envelope will be essential.

The technology types to be set up by this Project is highly sensitive and will not allow any mayor economic and signal developments within a certain core field hence the opportunity for secondary industries to be develop on the outskirts of their footprint actions. The Siyathemba municipal area with De Aar and Upington falls just outside this area and offers the ideal platform for business opportunities if they can make the most out of it.

The Siyathemba LM has also identified the possible economic spin-offs from being strategically positioned just outside the demarcated area of the SKA Area. Prieska will therefore be in a position to benefit from major industrial and economic activity which will NOT be allowed or possible within the SKA demarcated area for NO or LOW industrial activity and communication.

As a neighboring municipality we can compete for opportunities along the following lines;

- Water from the Orange River with a current 56% underutilized purification works of about 15 000kl/24hr.
- A water pipe line that exist and run for approximately 70km towards the same direction, as designed and erected for the water supply to the then Copperton as a Copper mine.
- Good but underutilized rail and road networks that exist to serve these areas.
- Food security for this anticipated industries.
- Property development.
- Appropriate recycling.
- Contracts with high-volume manufacturers.
- Site services and Installation firms.

We intend to involve ourselves as a municipality regarding this project and we are slowly putting mechanisms in place to act once the project is geared. Council took a decision and called upon management to seize the moment.

Local Economic Development (LED) is an approach to sustainable economic development that encourages residents of local communities to work together to stimulate local economic activity that will result in, inter alia, an improvement in the quality of life for all in the local community.

5.8.6 CHALLENGES

1. An LED strategy has been developed and was approved by council during 2012. Activity plans then needs to be developed to implement the recommendations made in this strategy.
2. The municipality have identified 3 Anker project for economic development, but no project execution plans exist for these initiatives.



6 STRATEGIES

6.1 SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic Objective	Intended Outcome	Strategies	Proposed high level initiatives
Sustainable, effective and efficient service delivery to all people in the municipal area	Sustainable delivery of improved services to all households	Development of relevant planning and strategic documents to guide service delivery and infrastructure development.	- Approval of the WSDP - Development of a Sanitation Master plan - Development of O&M plans to plan and structure proactive and reactive maintenance of infrastructure - Update of the Energy master plan - Development of a Transport plan - Development of a Storm water management plan - Finalise the Housing Action Plan - Development of a Disaster management plan. - Development of a Spatial development framework - Development of a Commonage land management plan - Development of an action plan to roll out services to farm areas - Initiate discussions with Dept of Health with regards to the proposed Community Health Facility in Prieska.
		Ensure that bulk resources and services are sufficient to support internal service delivery.	- Bulk water supply studies in Niekerkshoop and Marydale. - Upgrading of wastewater treatments works
		Ensure that all people in	Addressing the water



Integrated Development Plan

2013/14

Siyathemba Municipality

Strategic Objective	Intended Outcome	Strategies	Proposed high level initiatives
		the jurisdiction area have access to basic services by 2014.	- backlog in all 3 towns. - Addressing the sanitation backlog in all 3 towns. - Implementation of internal reticulation/services projects - Expand refuse removal services to all areas in the municipal area - Complete public lighting projects - Implementation of housing projects - Development of an action plan for the Koegas relocation project - Finalisation of the cemeteries projects
		Improve water, wastewater and solid waste management	- Finalisation of the Water Safety/Risk Plan - Finalisation of the Wastewater risk abatement plan - Development of rectification/action plans based on the recommendations of the Risk plans (water, wastewater and solid waste).

6.2 PUBLIC PARTICIPATION AND GOOD GOVERNANCE

Strategic Objective	Intended Outcome	Strategies	Proposed initiatives
Promote a culture of participatory and good governance	Entrenched culture of accountability and good governance	To ensure that all required governance structures are established and operational according to the relevant legislation.	- Support the internal audit function which is executed by the district. - Establishment of the Audit committee. - Implementation of the MPAC as prescribed in



Integrated Development Plan

2013/14

Siyathemba Municipality

Strategic Objective	Intended Outcome	Strategies	Proposed initiatives
			the adopted guideline document. - Revisit the structure of the ward committees to ensure good representation of the entire area. - Maintain the operations of the current supply chain committees whilst the SCM unit are put in place.
		To ensure that the relevant management and operational systems are in place and rolled out.	- Development of a structured compliant management system. - Implementation of the Fraud management plan. - Improve the quality of the quarterly Newsletter as well as broaden the distribution area thereof. - Development of an activity plan for the Library Development Fund.

6.3 INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

Strategic Objective	Intended Outcome	Strategies	Proposed initiatives
Improve organisational cohesion and effectiveness	Improved organisational stability and sustainability	To ensure proper human resource management and enhance effective and efficient administration systems.	- Approval and implementation of the revised organogram. - Recruitment of suitable candidates to fill vacant posts - Roll out of the Performance management system - Execution of the Skills Development Plan



6.4 FINANCIAL VIABILITY

Strategic Objective	Intended Outcome	Strategies	Proposed initiatives
To improve overall financial management by developing and implementing appropriate financial management policies, procedures and systems	Improved financial management and accountability	Development practices of sound, conservative budgeting aimed at enhancing financial resources through maximised revenue collection and controlling costs to the minimum necessary expenditure.	▪ The employment of 6 interns to assist within the Supply Chain Management Unit as well as to be capacitated in the operations of the financial division of the Municipality. ▪ Initiative Valuation Roll ▪ Maintenance of operating systems e.g. TGIS and Sabata ▪ Operation Clean Audit ▪ Proper financial viability study ▪ Replacement of Plessey electricity meters with Conlog meters ▪ Execute Phase 2 of the Asset management programme ▪ Revision of tarrif structure

6.5 LOCAL ECONOMIC DEVELOPMENT

Strategic Objective	Intended Outcome	Strategies	Proposed initiatives
Create an environment that promotes the development of the local economy and facilitate job creation	Improved municipal economic viability	Unlock LED opportunities according to the LED strategy	▪ Pursue Implementation of the LED strategy ▪ Development of an action plan (with priorities) to execute the recommendations made in the strategy. ▪ Develop Project execution plans for the Anker development projects